

# Return of Organization Exempt From Income Tax

OMB No 1545-0047

**2001**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury  
Internal Revenue Service

**Open to Public  
Inspection**

The organization may have to use a copy of this return to satisfy state reporting requirements

**A For the 2001 calendar year, OR tax year beginning** 6/1/2001 , and ending 5/31/2002

- B** Check if applicable
- Address change
  - Name change
  - Initial return
  - Final return
  - Amended return
  - Application pending

Please use IRS label or print or type. See Specific Instructions	<b>C</b> Name of organization <b>Southern Methodist University</b>		<b>D</b> Employer identification number <b>75-0800689</b>
	Number and street (or P O box if mail is not delivered to street address)		<b>E</b> Telephone number
	<b>PO Box 750233</b>		<b>(214) 768-2800</b>
	City or town	State or country	ZIP + 4
<b>Dallas</b>	<b>TX</b>	<b>75275-0233</b>	<b>F</b> Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

**G** Web site www.smu.edu

**J** Organization type (check only one)  501(c) ( 3 ) (insert no )  4947(a)(1) or  527

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

**H** and **I** are not applicable to section 527 organizations

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** If "Yes" enter number of affiliates

**H(c)** Are all affiliates included?  Yes  No  
(If "No" attach a list. See instructions.)

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

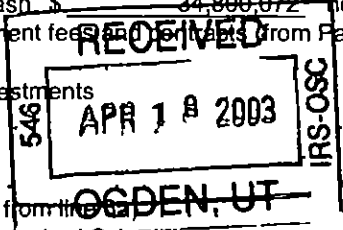
**I** Enter 4-digit GEN

**L** Gross receipts. Add lines 8b, 8c, 9b, and 10b to line 12 527,665,432

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See Specific Instructions on page 16 )

	1 Contributions, gifts, grants, and similar amounts received			
	a Direct public support	1a	40,303,107	
	b Indirect public support	1b	2,956,472	
	c Government contributions (grants)	1c	114,173	
	d Total (add lines 1a through 1c) (cash \$ <u>34,800,672</u> noncash \$ <u>8,573,680</u> )	1d	43,373,752	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	248,267,608	
	3 Membership dues and assessments	3	185,522	
	4 Interest on savings and temporary cash investments	4	5,190,344	
	5 Dividends and interest from securities	5	17,550,023	
	6a Gross rents	6a	81,107	
	b Less rental expenses	6b	19,106	
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c	62,001	
	7 Other investment income (describe See Attached Schedule )	7	3,250,983	
	8a Gross amount from sales of assets other than inventory	(A) Securities	8a	513,014
	b Less cost or other basis and sales expenses	209,217,002	8a	513,014
	c Gain or (loss) (attach schedule)	214,948,355	8b	537,439
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	-5,731,353	8c	-24,425
	9 Special events and activities (attach schedule)	8d	-5,755,778	
	a Gross revenue (not including \$ <u>115,852</u> of contributions reported on line 1a) See Attached Schedule	9a	36,077	
	b Less direct expenses other than fundraising expenses	9b	23,983	
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c	12,094	
	10a Gross sales of inventory, less returns and allowances	10a		
	b Less cost of goods sold	10b		
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
	11 Other revenue (from Part VII, line 103)	11		
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	312,136,549	
<b>Ex- pen- ses</b>	13 Program services (from line 44, column (B))	13	282,285,824	
	14 Management and general (from line 44, column (C))	14	24,727,915	
	15 Fundraising (from line 44, column (D))	15	5,655,012	
	16 Payments to affiliates (attach schedule)	16		
	17 Total expenses (add lines 16 and 44, column (A))	17	312,668,751	
<b>Net Assets</b>	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18	-532,202	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	1,088,990,227	
	20 Other changes in net assets or fund balances (attach explanation)	20	-11,507,335	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20) (See Attachment)	21	1,076,950,690	



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**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 21.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	56,583,162	56,583,162		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc	1,900,724		1,724,724	176,000
26	Other salaries and wages	120,190,773	106,861,066	10,583,457	2,746,250
27	Pension plan contributions	8,485,467	7,302,175	973,051	210,241
28	Other employee benefits	12,612,687	10,853,856	1,446,331	312,500
29	Payroll taxes	7,616,599	6,554,469	873,416	188,714
30	Professional fundraising fees				
31	Accounting fees	155,431	61,700	93,731	
32	Legal fees	769,026	389,330	379,696	
33	Supplies	7,574,957	7,266,409	205,458	103,090
34	Telephone	983,300	874,280	67,711	41,309
35	Postage and shipping	1,779,647	1,502,759	40,200	236,688
36	Occupancy	12,852,828	12,228,762	525,598	98,468
37	Equipment rental and maintenance	1,717,768	1,590,761	33,713	93,294
38	Printing and publications	3,403,436	2,993,724	106,642	303,070
39	Travel	5,609,746	5,443,008	107,517	59,221
40	Conferences, conventions, and meetings	678,908	583,190	76,600	19,118
41	Interest	9,737,866	9,737,866		
42	Depreciation, depletion, etc (attach schedule)	12,889,010	11,211,963	1,368,347	308,700
43	Other expenses not covered above (itemize) a _____	47,127,416	40,247,344	6,121,723	758,349
b	See Attached Schedule				
c					
d					
e					
f					
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	312,668,751	282,285,824	24,727,915	5,655,012

Joint Costs Check  if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No

If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_, (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**

(See Specific Instructions on page 24.)

What is the organization's primary exempt purpose? <u>Education</u>		Program Service Expenses	
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)		(Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others.)	
a	<b>Instructional Total Student Enrollment</b>		
	Summer 2001 - 3,898 First Semester 2001/2002 - 10,266		
	Second Semester 2001/2002 - 10,139		
	(Grants and allocations \$ _____)	49,131,503	209,316,236
b	<b>Sponsored Research</b>		
	Sponsored Research - \$10,573,975		
	Institutional Research - \$4,342,542		
	(Grants and allocations \$ _____)		14,916,517
c	<b>Auxiliary Activities</b>		
	Apartment Operations - \$4,309,107 Housing - \$9,559,795		
	Intercollegiate Athletics - \$26,215,736 Fort Burgwin - \$247,007		
	Food Service - \$254,206 (Grants and allocations \$ _____)	7,451,658	40,585,851
d	<b>Organized Activities</b>		
	Community Services - \$4,503,613		
	Conferences & Seminars - \$10,529,199		
	Summer Camps - \$2,407,478 (Grants and allocations \$ _____)		17,440,290
e	<b>Other program services (attach schedule)</b> (Grants and allocations \$ _____)		26,930
f	<b>Total of Program Service Expenses (should equal line 44, column (B), Program services)</b>		282,285,824

**Part IV Balance Sheets**

(See Specific Instructions on page 24 )

Note	Where required, attached schedules and amounts within the description column should be for end-of-year amounts only	(A) Beginning of year	(B) End of year
<b>Assets</b>			
45	Cash - non-interest-bearing	3,438,409	2,065,837
46	Savings and temporary cash investments	114,174,382	115,078,774
47a	Accounts receivable	15,555,283	
b	Less allowance for doubtful accounts	726,942	
		13,243,808	14,828,341
48a	Pledges receivable	42,208,086	
b	Less allowance for doubtful accounts		
		59,150,743	42,208,086
49	Grants receivable	2,181,334	1,617,384
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		
51a	Other notes and loans receivable (attach schedule)	10,116,961	
b	Less allowance for doubtful accounts	300,190	
		10,031,588	9,816,771
52	Inventories for sale or use	515,664	459,779
53	Prepaid expenses and deferred charges	1,978,405	2,497,646
54	Investments - securities (attach schedule) <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	653,676,176	639,169,806
55a	Investments - land, buildings, and equipment basis	5,401,520	
b	Less accumulated depreciation (attach schedule)	151,425	
		5,678,759	5,250,095
56	Investments - other (attach schedule)	196,181,708	189,677,469
57a	Land, buildings, and equipment basis	492,688,656	
b	Less accumulated depreciation (attach schedule)	148,570,652	
		329,364,415	344,118,004
58	Other assets (describe See Attached Schedule )	8,375,311	8,116,509
59	<b>Total assets (add lines 45 through 58) (must equal line 74)</b>	<b>1,397,990,702</b>	<b>1,374,904,501</b>
<b>Liabilities</b>			
60	Accounts payable and accrued expenses	47,835,728	44,601,280
61	Grants payable		
62	Deferred revenue	10,425,203	13,036,776
63	Loans from officers, directors, trustees, and key employees (attach schedule)		
64a	Tax-exempt bond liabilities (attach schedule)	242,589,000	230,866,000
b	Mortgages and other notes payable (attach schedule)	861,507	1,939,851
65	Other liabilities (describe See Attached Schedule )	7,289,037	7,538,430
66	<b>Total liabilities (add lines 60 through 65)</b>	<b>309,000,475</b>	<b>297,982,337</b>
<b>Net Assets or Fund Balances</b>			
Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
67	Unrestricted	584,384,227	576,797,164
68	Temporarily restricted	197,769,000	181,544,000
69	Permanently restricted	306,837,000	318,581,000
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
70	Capital stock, trust principal, or current funds		
71	Paid-in or capital surplus, or land, building, and equipment fund		
72	Retained earnings, endowment, accumulated income, or other funds		
73	<b>Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72. column (A) must equal line 19, column (B) must equal line 21) (See Attachment)</b>	<b>1,088,990,227</b>	<b>1,076,922,164</b>
74	<b>Total liabilities and net assets/fund balances (add lines 66 and 73)</b>	<b>1,397,990,702</b>	<b>1,374,904,501</b>

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 26)

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

Table with 2 columns: Description and Amount. Rows include: a Total revenue, gains, and other support per audited financial statements (241,551,079); b Amounts included on line a but not on line 12, Form 990; c Line a minus line b (253,058,414); d Amounts included on line 12, Form 990 but not on line a; e Total revenue per line 12, Form 990 (line c plus line d) (312,136,549).

Table with 2 columns: Description and Amount. Rows include: a Total expenses and losses per audited financial statements (254,146,059); b Amounts included on line a but not on line 17, Form 990; c Line a minus line b (254,146,059); d Amounts included on line 17, Form 990 but not on line a; e Total expenses per line 17, Form 990 (line c plus line d) (312,668,751).

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see Specific Instructions on page 26)

(List each one even if not compensated, see Specific Instructions on page 26)

Table with 5 columns: (A) Name and address, (B) Title and average hours per week devoted to position, (C) Compensation (if not paid, enter -0-), (D) Contributions to employee benefit plans & deferred compensation, (E) Expense account and other allowances. Row 1: See attached schedule.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?

Yes

No

If "Yes," attach schedule - see Specific Instructions on page 27

**Part VI Other Information**

(See Specific Instructions on page 27.)

Yes or No

76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	Yes
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	Yes
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	Yes
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	No
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	Yes
b	If "Yes," enter the name of the organization <u>Peruna Properties, Inc and The Stadium Club, Inc</u> and check whether it is <input checked="" type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt		
81a	Enter direct or indirect political expenditures See line 81 instructions	81a	-0-
b	Did the organization file Form 1120-POL for this year?	81b	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	Yes
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	Yes
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	Yes
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	No
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs Enter a Gross income from members or shareholders	87a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	No
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>NONE</u> , section 4912 <u>NONE</u> , section 4955 <u>NONE</u>		
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	No
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		
90a	List the states with which a copy of this return is filed <u>N/A</u>		
b	Number of employees employed in the pay period that includes March 12, 2001 (See instructions)	90b	2,451
91	The books are in care of <u>SMU Controller's Office</u> Telephone no <u>(214) 768-2800</u> Located at <u>Perkins Administration Building, 6425 Boaz Dallas, TX</u> ZIP + 4 <u>75275-0294</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	<input type="checkbox"/>

**Part VII Analysis of Income-Producing Activities**

(See Specific Instructions on page 32 )

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E)
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	Related or exempt function income
93 Program service revenue					
a Tuition and Fees					191,415,610
b Organized Activities					8,691,098
c Auxiliary Activities	541800	31,705	See attached	5,108,683	17,785,797
d Sponsored Research			21	12,552,113	
e Other	See attached	-182,121	See attached	3,437,864	9,426,859
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					185,522
95 Interest on savings and temporary cash investments			14	5,190,344	
96 Dividends and interest from securities			14	17,550,023	
97 Net rental income or (loss) from real estate					
a debt-financed property	531120	-9,596			
b not debt-financed property			16	71,597	
98 Net rental income or (loss) from personal property					
99 Other investment income	211110	2,196	See attached	3,248,787	
100 Gain or (loss) from sales of assets other than inventory	531390	48,702	18	-5,804,480	
101 Net income or (loss) from special events			See attached	12,094	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b					
c					
d					
e					
104 Subtotal (add cols (B), (D), and (E))		-109,114		41,367,025	227,504,886
105 Total (add line 104, columns (B), (D), and (E))					268,762,797

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes**

(See Specific Instructions on page 32 )

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
	See attached schedule

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities**

(See Specific Instructions on page 33 )

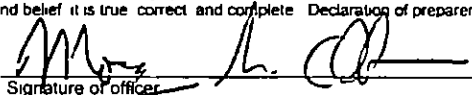
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts**

(See Specific Instructions on page 33 )

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here	Under penalties of perjury I declare that I have examined this return, including attachments, and believe it is true, correct, and complete. Declaration of preparer (other than officer) if one has been prepared.
	 Signature of officer Morgan R. Olsen, Vice President for Business/F Type or print name and title
Paid Preparer's Use Only	Preparer's signature
	Firm's name (or yours if self-employed), address, and ZIP + 4

**SCHEDULE A  
(Form 990 or 990-EZ)**

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

**2001**

Department of the Treasury  
Internal Revenue Service

MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

Supplementary Information - (See separate instructions )

Name of the organization  
**Southern Methodist University**

Employer identification number  
**75-0800689**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
See attached schedule				
Total number of other employees paid over \$50,000	744			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Krause Associates Inc 501 Elm Street Suite 300 Dallas, TX 75202	Advertising Agency Fees	2,810,427
Washington Speaker's Bureau 1663 Prince Street Alexandria, VA 22314	Talent Agency Fees	483,764
PeopleSoft USA Inc P o Box 10699 Palatine, IL 60055	System Consulting Fees	429,068
John McStay Investment Counsel 5949 Sherry Lane, Suite 1600 Dallas, TX 75225	Investment Managers	369,235
Sector Capital Management, LLC 51 Germantown Court, Suite 309 Memphis, TN 38018	Investment Managers	327,868
Total number of others receiving over \$50,000 for professional services	39	

**Part III Statements About Activities** (See page 2 of the instructions )

	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \$ <u>218,587</u> (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B ) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities	X	
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions )		
<b>a</b> Sale, exchange, or leasing of property?		X
<b>b</b> Lending of money or other extension of credit?		X
<b>c</b> Furnishing of goods, services, or facilities?	X	
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
<b>e</b> Transfer of any part of its income or assets?		X
<b>3</b> Does the organization make grants for scholarships, fellowships, student loans, etc ? (See Note below )	X	
<b>4</b> Do you have a section 403(b) annuity plan for your employees?	X	
Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments		

**Part IV Reason for Non-Private Foundation Status** (See pages 3 through 6 of the instructions )

The organization is not a private foundation because it is (Please check only ONE applicable box )

- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6  A school Section 170(b)(1)(A)(ii) (Also complete Part V )
- 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A )
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A )
- 11b  A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A )
- 12  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions- subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A )
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3) )

Provide the following information about the supported organizations (See page 5 of the instructions )

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions )



**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting

NOTE You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28 )					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24	26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts		
c Total support for section 509(a)(1) test Enter line 24, column (e)		26b
d Add Amounts from column (e) for lines 18 _____ 19 _____		
22 _____ 26b _____		26c
e Public support (line 26c minus line 26d total)		
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		26d
		26e
		26f

27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return Enter the sum of such amounts for each year	(2000) _____ (1999) _____ (1998) _____ (1997) _____
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year	(2000) _____ (1999) _____ (1998) _____ (1997) _____	
c Add Amounts from column (e) for lines 15 _____ 16 _____	17 _____ 20 _____ 21 _____	27c
d Add Line 27a total _____ and line 27b total _____		
e Public support (line 27c total minus line 27d total)		27d
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)		
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))		27e
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))		
		27f
		27g
		27h

28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15

**Part V Private School Questionnaire** (See page 7 of the instructions )  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

	Yes	No
<b>29</b> Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	X	
<b>30</b> Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	X	
<b>31</b> Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement ) All admissions brochures, newspaper advertisements, etc include a nondiscrimination statement	X	
<b>32</b> Does the organization maintain the following		
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
<b>d</b> Copies of all material used by the organization or on its behalf to solicit contributions?	X	
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )		
<b>33</b> Does the organization discriminate by race in any way with respect to		
<b>a</b> Students' rights or privileges?		X
<b>b</b> Admissions policies?		X
<b>c</b> Employment of faculty or administrative staff?		X
<b>d</b> Scholarships or other financial assistance?		X
<b>e</b> Educational policies?		X
<b>f</b> Use of facilities?		X
<b>g</b> Athletic programs?		X
<b>h</b> Other extracurricular activities?		X
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )		
<b>34a</b> Does the organization receive any financial aid or assistance from a governmental agency?	X	
<b>b</b> Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		X
<b>35</b> Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	X	

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions )

(To be completed ONLY by an eligible organization that filed Form 5768)

Check a  if the organization belongs to an affiliated group Check b  if you checked "a" and "limited control" provisions apply

**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred )

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table -		
<b>If the amount on line 40 is -</b>		
Not over \$500,000		
Over \$500,000 but not over \$1,000,000		
Over \$1,000,000 but not over \$1,500,000		
Over \$1,500,000 but not over \$17,000,000		
Over \$17,000,000		
<b>The lobbying nontaxable amount is -</b>		
20% of the amount on line 40		
\$100,000 plus 15% of the excess over \$500,000		
\$175,000 plus 10% of the excess over \$1,000,000		
\$225,000 plus 5% of the excess over \$1,500,000		
\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720

**4 - Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below

See the instructions for lines 45 through 50 on page 11 of the instructions )

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions )

During the year, did the organization attempt to influence national, state or local legislation including any attempt to influence public opinion on a legislative matter or referendum through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h )
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h )

Yes	No	Amount
X		
X		
	X	
X		100
	X	
	X	
X		218,487
	X	
		218,587

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of

- (i) Cash
(ii) Other assets
b Other transactions
(i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

Summary table with columns: Yes, No and rows for 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), c.

Main schedule table with columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Includes entry for The Stadium Club, Inc.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

X Yes [ ] No

b If "Yes," complete the following schedule

Table for 52b with columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Includes entry for The Stadium Club, Inc.

**Investment Company or Qualified Electing Fund**

OMB No 1545-1002

Attachment Sequence No  
**69**

See separate instructions

Name of shareholder **Southern Methodist University** Identifying number (see page 2 of instructions)  
**75-0800689**

Number street, and room or suite no (If a P O box, see page 2 of instructions) **P O Box 750233** Your tax year calendar year \_\_\_\_\_ or other tax year  
 beginning **6/1/2001** and ending **5/31/2002**

City or town **Dallas,** State **TX** ZIP code **75275-0233** Country \_\_\_\_\_

Check type of shareholder filing the return  
 Individual  Corporation  Partnership  S Corporation  Nongrantor Trust  Estate

Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) **Morgan Stanley Offshore International Equity Fund** Employer identification number (if any)  
**None**

Address **c/o Maples and Calder, P O Box 309 Uglund House South Church Street George Town** Tax year of company or fund calendar year \_\_\_\_\_  
 City **Grand Cayman, Cayman Islands** State **Zip** Country \_\_\_\_\_ or other beginning **6/21/2001** **12/31/2001**

**Part I Elections** (See instructions)

- A**  **ELECTION TO TREAT THE PFIC AS A QEF** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF Complete lines 1a through 2c of Part II
- B**  **DEEMED SALE ELECTION** I, a shareholder on the first day of a PFIC's first tax year as a QEF elect to recognize gain on the deemed sale of my interest in the PFIC Enter gain or loss on line 10f of Part IV
- C**  **DEEMED DIVIDEND ELECTION** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution Enter this amount on line 10e
- D**  **ELECTION TO EXTEND TIME FOR PAYMENT OF TAX** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated Complete lines 3a through 4c of Part II to calculate the tax that may be deferred  
 Note If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election Also see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election
- E**  **ELECTION TO RECOGNIZE GAIN ON DEEMED SALE OF PFIC** I, a shareholder of a former PFIC, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed on the last day of its last tax year as a PFIC under section 1297(a) Enter gain on line 10f of Part IV
- F**  **ELECTION TO MARK-TO-MARKET PFIC STOCK** I, a shareholder of a PFIC elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e) Complete Part III

**Part II Income From a Qualified Electing Fund (QEF)** All QEF shareholders complete lines 1a through 2c  
 If you are making Election D, also complete lines 3a through 4c (See page 5 of instructions)

<b>1a</b> Enter your pro rata share of the ordinary earnings of the QEF	None		
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g)			
<b>c</b> Subtract line 1b from line 1a Enter this amount on your tax return as dividend income			<b>1c</b> None
<b>2a</b> Enter your pro rata share of the total net capital gain of the QEF	None		
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g)			
<b>c</b> Subtract line 2b from line 2a This amount is a net long-term capital gain Enter this amount in Part II of the Schedule D used for your income tax return (See page 5 of instructions)			<b>2c</b> None
<b>3a</b> Add lines 1c and 2c			<b>3a</b> None
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF (See instructions)			
<b>c</b> Enter the portion of line 3a to the extent not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year			
<b>d</b> Add lines 3b and 3c			<b>3d</b>
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) IMPORTANT If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e			
<b>4a</b> Enter the total tax for the tax year (See instructions)			
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e			<b>4b</b>
<b>c</b> Subtract line 4b from line 4a THIS IS THE DEFERRED TAX, THE TIME FOR PAYMENT OF WHICH IS EXTENDED BY MAKING ELECTION D SEE INSTRUCTIONS			
			<b>4c</b>

**Part III Gain or (Loss) From Mark-to-Market Election**

(See page 5 of instructions)

5	Enter the fair market value of your PFIC stock at the end of the tax year	5	
6	Enter your adjusted basis in the stock at the end of the tax year	6	
7	EXCESS Subtract line 6 from line 5. If a gain, STOP HERE. Include this amount as ordinary income on your tax return. If a loss, go to line 8.	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions.	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return.	9	

**Part IV Distributions and Disposition of Stock in a Section 1291 Fund**

(See page 6 of instructions)

Complete a separate Part IV for each excess distribution

10a	Enter your total distributions from the PFIC during the current tax year. If the holding period of the PFIC stock began in the current tax year, this amount is dividend income to the extent there are accumulated earnings and profits.	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the company for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year).	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.)	10c	
d	Multiply line 10c by 125%. Enter the lesser of line 10a or line 10d as a dividend on your income tax return.	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the total excess distribution. If zero or less and you did not dispose of stock during the tax year, DO NOT complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year.	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and DO NOT complete line 11.	10f	
11a	On an attached statement for each distribution and disposition, show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income.	11b	
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.)	11c	
d	Foreign tax credit. (See instructions.)	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax". (See instructions.)	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.)	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1	Tax year of outstanding election					
2	Undistributed earnings to which the election relates					
3	Deferred tax					
4	Interest accrued on deferred tax (line 3) as of the filing date					
5	Event terminating election					
6	Earnings distributed or deemed distributed during the tax year					
7	Deferred tax due with this return					
8	Accrued interest due with this return					
9	Deferred tax outstanding after partial termination of election					
10	Interest accrued after partial termination of election					

**Investment Company or Qualified Electing Fund**

OMB No 1545-1002

See separate instructions

Attachment Sequence No  
**69**

Name of shareholder <b>Southern Methodist University</b>		Identifying number (see page 2 of instructions) <b>75-0800689</b>	
Number, street, and room or suite no (If a P O box see page 2 of instructions) <b>P O Box 750233</b>		Your tax year calendar year beginning <b>6/1/2001</b>	or other tax year ending <b>5/31/2002</b>
City or town <b>Dallas,</b>	State <b>TX</b>	ZIP code <b>75275-0233</b>	Country <b>US</b>
Check type of shareholder filing the return <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Nongrantor Trust <input type="checkbox"/> Estate			
Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) <b>Doughty Hanson &amp; Co (Bermuda) L P</b>		Employer identification number (if any) <b>98-0228916</b>	
Address <b>Times Place 45 Pall Mall</b>		Tax year of company or fund calendar year <b>2001</b>	
City <b>London SW1Y 5JG</b>	State <b></b>	Zip <b></b>	Country <b></b>

**Part I Elections** (See instructions)

**A**  **ELECTION TO TREAT THE PFIC AS A QEF** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF Complete lines 1a through 2c of Part II

**B**  **DEEMED SALE ELECTION** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC Enter gain or loss on line 10f of Part IV

**C**  **DEEMED DIVIDEND ELECTION** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution Enter this amount on line 10e

**D**  **ELECTION TO EXTEND TIME FOR PAYMENT OF TAX** I a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated Complete lines 3a through 4c of Part II to calculate the tax that may be deferred  
 Note If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election

**E**  **ELECTION TO RECOGNIZE GAIN ON DEEMED SALE OF PFIC** I, a shareholder of a former PFIC, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a) Enter gain on line 10f of Part IV

**F**  **ELECTION TO MARK-TO-MARKET PFIC STOCK** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e) Complete Part III

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c  
 If you are making Election D, also complete lines 3a through 4c (See page 5 of instructions)

<b>1a</b> Enter your pro rata share of the ordinary earnings of the QEF	<b>1a</b>	None	
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g)	<b>1b</b>		
<b>c</b> Subtract line 1b from line 1a Enter this amount on your tax return as dividend income			<b>1c</b> None
<b>2a</b> Enter your pro rata share of the total net capital gain of the QEF	<b>2a</b>	None	
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g)	<b>2b</b>		
<b>c</b> Subtract line 2b from line 2a This amount is a net long-term capital gain Enter this amount in Part II of the Schedule D used for your income tax return (See page 5 of instructions)			<b>2c</b> None
<b>3a</b> Add lines 1c and 2c			<b>3a</b> None
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF (See instructions)	<b>3b</b>		
<b>c</b> Enter the portion of line 3a to the extent not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year	<b>3c</b>		
<b>d</b> Add lines 3b and 3c			<b>3d</b>
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) <b>IMPORTANT</b> If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e			<b>3e</b>
<b>4a</b> Enter the total tax for the tax year (See instructions)	<b>4a</b>		
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e	<b>4b</b>		
<b>c</b> Subtract line 4b from line 4a <b>THIS IS THE DEFERRED TAX, THE TIME FOR PAYMENT OF WHICH IS EXTENDED BY MAKING ELECTION D SEE INSTRUCTIONS</b>			<b>4c</b>

**Part III Gain or (Loss) From Mark-to-Market Election**

(See page 5 of instructions )

5	Enter the fair market value of your PFIC stock at the end of the tax year	5	
6	Enter your adjusted basis in the stock at the end of the tax year	6	
7	EXCESS Subtract line 6 from line 5. If a gain, STOP HERE. Include this amount as ordinary income on your tax return. If a loss, go to line 8.	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions.	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return.	9	

**Part IV Distributions and Disposition of Stock in a Section 1291 Fund**

(See page 6 of instructions )

Complete a separate Part IV for each excess distribution

10a	Enter your total distributions from the PFIC during the current tax year. If the holding period of the PFIC stock began in the current tax year, this amount is dividend income to the extent there are accumulated earnings and profits.	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the company for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year).	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.)	10c	
d	Multiply line 10c by 125%. Enter the lesser of line 10a or line 10d as a dividend on your income tax return.	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the total excess distribution. If zero or less and you did not dispose of stock during the tax year, DO NOT complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year.	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and DO NOT complete line 11.	10f	
11a	On an attached statement for each distribution and disposition, show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income.	11b	
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.)	11c	
d	Foreign tax credit. (See instructions.)	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax". (See instructions.)	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.)	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1	Tax year of outstanding election					
2	Undistributed earnings to which the election relates					
3	Deferred tax					
4	Interest accrued on deferred tax (line 3) as of the filing date					
5	Event terminating election					
6	Earnings distributed or deemed distributed during the tax year					
7	Deferred tax due with this return					
8	Accrued interest due with this return					
9	Deferred tax outstanding after partial termination of election					
10	Interest accrued after partial termination of election					



# Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

OMB No 1545-1002

Attachment  
 Sequence No **69**

▶ See separate instructions.

Name of shareholder <b>Southern Methodist University</b>		Identifying number (see page 2 of instructions) <b>75-0800689</b>
Number, street and room or suite no. (If a P.O. box, see page 2 of instructions) <b>P.O. Box 750233</b>		Shareholder tax year (calendar year 20__ or other tax year beginning <b>June 01, 2001</b> and ending <b>May 31, 2002</b> )
City or town, state and ZIP code or country <b>Dallas, TX 75275-0233</b>		
Check type of shareholder filing the return: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Nongrantor Trust <input type="checkbox"/> Estate		
Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) <b>HMTF-LA VENEZUELA CABLE, LTD</b>		Employer identification number (if any) <b>NONE</b>
Address (Enter number, street, city or town, and country) <b>C/O DAVIVO INTERNATIONAL LTD. 200 CRESCENT COURT, SUITE 1600, DALLAS, TX 75201</b>		Tax year of company or fund (calendar year 20__ or other tax year beginning _____, 20__ and ending _____, 20__)

**Part I Elections (See instructions)**

- A  Election To Treat the PFIC as a QEF. I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. Complete lines 1a through 2c of Part II.
- B  Deemed Sale Election. I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. Enter gain or loss on line 10f of Part IV.
- C  Deemed Dividend Election. I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. Enter this amount on line 10e.
- D  Election To Extend Time For Payment of Tax. I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.  
*Note: If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.*
- E  Election To Recognize Gain on Deemed Sale of PFIC. I, a shareholder of a former PFIC, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). Enter gain on line 10f of Part IV.
- F  Election To Mark-to-Market PFIC Stock. I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). Complete Part III.

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

1a Enter your pro rata share of the ordinary earnings of the QEF . . . . .	1a	NONE
b Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g)	1b	
c Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income . . . . .	1c	NONE
2a Enter your pro rata share of the total net capital gain of the QEF . . . . .	2a	NONE
b Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g)	2b	
c Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions) . . . . .	2c	NONE
3a Add lines 1c and 2c . . . . .	3a	NONE
b Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions) . . . . .	3b	
c Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year . . . . .	3c	
d Add lines 3b and 3c . . . . .	3d	
e Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) . . . . .	3e	
Important: If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e.		
4a Enter the total tax for the tax year. (See instructions) . . . . .	4a	
b Enter the total tax for the tax year determined without regard to the amount entered on line 3e . . . . .	4b	
c Subtract line 4b from line 4a. This is the deferred tax, the time for payment of which is extended by making Election D. See instructions . . . . .	4c	

**Part III Gain or (Loss) From Mark-to-Market Election (See page 5 of instructions)**

5	Enter the fair market value of your PFIC stock at the end of the tax year . . . . .	5	
6	Enter your adjusted basis in the stock at the end of the tax year . . . . .	6	
7	Excess Subtract line 6 from line 5. If a gain, stop here. Include this amount as ordinary income on your tax return. If a loss, go to line 8 . . . . .	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions . . . . .	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return . . . . .	9	

**Part IV Distributions and Disposition of Stock in a Section 1291 Fund (See page 6 of instructions)**

Complete a separate Part IV for each excess distribution

10a	Enter your total distributions from the PFIC during the current tax year. If the holding period of the PFIC stock began in the current tax year, this amount is dividend income to the extent there are accumulated earnings and profits . . . . .	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the company for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) . . . . .	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3) . . . . .	10c	
d	Multiply line 10c by 125%. Enter the lesser of line 10a or line 10d as a dividend on your income tax return . . . . .	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the total excess distribution. If zero or less and you did not dispose of stock during the tax year, do not complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year . . . . .	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and do not complete line 11 . . . . .	10f	
11a	Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year . . . . .		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income . . . . .	11b	
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions) . . . . .	11c	
d	Foreign tax credit. (See instructions) . . . . .	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions) . . . . .	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions) . . . . .	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election						
2 Undistributed earnings to which the election relates						
3 Deferred tax						
4 Interest accrued on deferred tax (line 3) as of the filing date						
5 Event terminating election						
6 Earnings distributed or deemed distributed during the tax year						
7 Deferred tax due with this return						
8 Accrued interest due with this return						
9 Deferred tax outstanding after partial termination of election						
10 Interest accrued after partial termination of election						

**Investment Company or Qualified Electing Fund**

OMB No 1545-1002

See separate instructions

Attachment Sequence No  
**69**

Name of shareholder **Southern Methodist University** Identifying number (see page 2 of instructions)  
**75-0800689**

Number, street, and room or suite no (If a P O box, see page 2 of instructions) **P O Box 750233** Your tax year calendar year beginning **6/1/2001** or other tax year ending **5/31/2002**

City or town **Dallas** State **TX** ZIP code **75275-0233** Country **US**

Check type of shareholder filing the return  
 Individual  Corporation  Partnership  S Corporation  Nongrantor Trust  Estate

Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) **Marrakech Limited** Employer identification number (if any) **N/A**

Address **Times Place 45 Pall Mall** Tax year of company or fund calendar year **2001**  
 City **London SW1Y 5JG** State  Zip  Country  or other beginning

**Part I Elections** (See instructions)

- A**  **ELECTION TO TREAT THE PFIC AS A QEF** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF Complete lines 1a through 2c of Part II
- B**  **DEEMED SALE ELECTION** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC Enter gain or loss on line 10f of Part IV
- C**  **DEEMED DIVIDEND ELECTION** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution Enter this amount on line 10e
- D**  **ELECTION TO EXTEND TIME FOR PAYMENT OF TAX** I, a shareholder of a QEF elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated Complete lines 3a through 4c of Part II to calculate the tax that may be deferred  
 Note If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election
- E**  **ELECTION TO RECOGNIZE GAIN ON DEEMED SALE OF PFIC** I, a shareholder of a former PFIC, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a) Enter gain on line 10f of Part IV
- F**  **ELECTION TO MARK-TO-MARKET PFIC STOCK** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e) Complete Part III

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c  
 If you are making Election D, also complete lines 3a through 4c (See page 5 of instructions)

<b>1a</b> Enter your pro rata share of the ordinary earnings of the QEF	<b>1a</b> None		<b>1c</b> None
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g)	<b>1b</b>		
<b>c</b> Subtract line 1b from line 1a Enter this amount on your tax return as dividend income			
<b>2a</b> Enter your pro rata share of the total net capital gain of the QEF	<b>2a</b> None		<b>2c</b> None
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g)	<b>2b</b>		
<b>c</b> Subtract line 2b from line 2a This amount is a net long-term capital gain Enter this amount in Part II of the Schedule D used for your income tax return (See page 5 of instructions)			
<b>3a</b> Add lines 1c and 2c			<b>3a</b> None
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF (See instructions)	<b>3b</b>		
<b>c</b> Enter the portion of line 3a to the extent not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year	<b>3c</b>		
<b>d</b> Add lines 3b and 3c			<b>3d</b>
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) <b>IMPORTANT</b> If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e			
<b>4a</b> Enter the total tax for the tax year (See instructions)	<b>4a</b>		<b>4c</b>
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e	<b>4b</b>		
<b>c</b> Subtract line 4b from line 4a <b>THIS IS THE DEFERRED TAX, THE TIME FOR PAYMENT OF WHICH IS EXTENDED BY MAKING ELECTION D SEE INSTRUCTIONS</b>			

**Part III Gain or (Loss) From Mark-to-Market Election**

(See page 5 of instructions)

5	Enter the fair market value of your PFIC stock at the end of the tax year	5
6	Enter your adjusted basis in the stock at the end of the tax year	6
7	EXCESS Subtract line 6 from line 5. If a gain, STOP HERE. Include this amount as ordinary income on your tax return. If a loss, go to line 8.	7
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions.	8
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return.	9

**Part IV Distributions and Disposition of Stock in a Section 1291 Fund**

(See page 6 of instructions)

Complete a separate Part IV for each excess distribution

10a	Enter your total distributions from the PFIC during the current tax year. If the holding period of the PFIC stock began in the current tax year, this amount is dividend income to the extent there are accumulated earnings and profits.	10a
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the company for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year).	10b
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.)	10c
d	Multiply line 10c by 125%. Enter the lesser of line 10a or line 10d as a dividend on your income tax return.	10d
e	Subtract line 10d from line 10a. This amount, if more than zero, is the total excess distribution. If zero or less and you did not dispose of stock during the tax year, DO NOT complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year.	10e
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and DO NOT complete line 11.	10f
11a	On an attached statement for each distribution and disposition, show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.	
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income.	11b
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.)	11c
d	Foreign tax credit. (See instructions.)	11d
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax". (See instructions.)	11e
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.)	11f

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1	Tax year of outstanding election					
2	Undistributed earnings to which the election relates					
3	Deferred tax					
4	Interest accrued on deferred tax (line 3) as of the filing date					
5	Event terminating election					
6	Earnings distributed or deemed distributed during the tax year					
7	Deferred tax due with this return					
8	Accrued interest due with this return					
9	Deferred tax outstanding after partial termination of election					
10	Interest accrued after partial termination of election					

**Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund**

▶ See separate instructions

Name of shareholder <b>Southern Methodist University</b>	Identifying number (see page 2 of instructions) <b>75-0800689</b>
Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions) <b>P.O. Box 750233</b>	Shareholder tax year: calendar year 20__ or other tax year beginning <b>June 01, 2001</b> and ending <b>May 31, 2002</b>
City or town, state, and ZIP code or country <b>Dallas, TX 75275-0233</b>	
Check type of shareholder filing the return: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Nongrantor Trust <input type="checkbox"/> Estate	
Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) <b>REDE BRASIL S A</b>	Employer identification number (if any) <b>NONE</b>
Address (Enter number, street, city or town, and country) <b>C/O DAVIVO INTERNATIONAL LTD. 200 CRESCENT COURT, SUITE 1600, DALLAS, TX 75201</b>	Tax year of company or fund: calendar year 20__ or other tax year beginning <b>1/1</b> 20__ and ending <b>12/30</b> 20__

**Part I Elections (See instructions)**

- A  **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. *Complete lines 1a through 2c of Part II*
- B  **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. *Enter gain or loss on line 10f of Part IV*
- C  **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. *Enter this amount on line 10e*
- D  **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. *Complete lines 3a through 4c of Part II to calculate the tax that may be deferred. Note: If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election. Also see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.*
- E  **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). *Enter gain on line 10f of Part IV*
- F  **Election To Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). *Complete Part III*

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

1a Enter your pro rata share of the ordinary earnings of the QEF . . . . .	1a	NONE		
b Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) . . . . .	1b			
c Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income . . . . .	1c	NONE		
2a Enter your pro rata share of the total net capital gain of the QEF . . . . .	2a	NONE		
b Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) . . . . .	2b			
c Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) . . . . .	2c	NONE		
3a Add lines 1c and 2c . . . . .	3a	NONE		
b Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) . . . . .	3b			
c Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year . . . . .	3c			
d Add lines 3b and 3c . . . . .	3d			
e Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) . . . . .	3e			
Important: If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e.				
4a Enter the total tax for the tax year. (See instructions.) . . . . .	4a			
b Enter the total tax for the tax year determined without regard to the amount entered on line 3e . . . . .	4b			
c Subtract line 4b from line 4a. This is the deferred tax, the time for payment of which is extended by making Election D. See instructions . . . . .	4c			

**Part III Gain or (Loss) From Market-to-Market Election (See page 5 of instructions)**

5	Enter the fair market value of your PFIC stock at the end of the tax year	5	
6	Enter your adjusted basis in the stock at the end of the tax year	6	
7	Excess Subtract line 6 from line 5. If a gain, stop here. Include this amount as ordinary income on your tax return. If a loss, go to line 8	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return	9	

**Part IV Distributions and Disposition of Stock in a Section 1291 Fund (See page 6 of instructions)**  
 Complete a separate Part IV for each excess distribution

10a	Enter your total distributions from the PFIC during the current tax year. If the holding period of the PFIC stock began in the current tax year, this amount is dividend income to the extent there are accumulated earnings and profits	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the company for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year)	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3)	10c	
d	Multiply line 10c by 125%. Enter the lesser of line 10a or line 10d as a dividend on your income tax return	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the total excess distribution. If zero or less and you did not dispose of stock during the tax year, do not complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and do not complete line 11	10f	
11a	Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income	11b	
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions)	11c	
d	Foreign tax credit. (See instructions)	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions)	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions)	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**  
 Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election	-----	-----	-----	-----	-----	-----
2 Undistributed earnings to which the election relates						
3 Deferred tax						
4 Interest accrued on deferred tax (line 3) as of the filing date						
5 Event terminating election						
6 Earnings distributed or deemed distributed during the tax year						
7 Deferred tax due with this return						
8 Accrued interest due with this return						
9 Deferred tax outstanding after partial termination of election						
10 Interest accrued after partial termination of election						

# Return of U.S. Persons With Respect to Certain Foreign Partnerships

OMB No 1545-1888

## 2001

Form **8865**

Attach to your tax return See separate instructions

Department of the Treasury  
Internal Revenue Service

Information furnished for the foreign partnership's tax year

Attachment  
Sequence No **118**

(see instructions) beginning January 01, 2001, and ending December 31, 20 01

**Important** All information must be in English All amounts must be in U S dollars unless otherwise indicated

Name of person filing this return <b>Southern Methodist University</b>	Filer's identifying number <b>75-0800689</b>
---	---

Filer's address (if you are not filing this form with your tax return)  <b>PO Box 750233 Dallas, TX 75275-0233</b>	<b>A Category of filer (see Categories of Filers in the instructions and check applicable box(es))</b> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/>
--	--

**B** Filer's tax year beginning June 01 20 01 and ending May 31 , 20 02

**C** Filer's share of liabilities Nonrecourse \$ -0- Qualified nonrecourse financing \$ -0- Other \$ -0-

**D** If filer is a member of a consolidated group but not the parent, enter the following information about the parent

Name	EIN
Address	

**E** Information about certain other partners (see instructions)

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Category 1	Category 2	Constructive owner
Not Applicable					

<b>F1</b> Name and address of foreign partnership <b>Doughty Hanson &amp; Co Fund II Limited Partnership Number 3,</b> <b>Times Place, 45 Pall Mall</b> <b>London SW1Y 5JG</b>	<b>2</b> EIN (if any) None
	<b>3</b> Country under whose laws organized United Kingdom

<b>4</b> Date of organization October 1995	<b>5</b> Principal place of business United Kingdom	<b>6</b> Principal business activity code number 523900	<b>7</b> Principal business activity Other Financial Investment Activity	<b>8</b> Functional currency and exchange rate (see instr ) Euro 0 8908
---	--	--	--	--

**G** Provide the following information for the foreign partnership's tax year

<b>1</b> Name, address, and identifying number of agent (if any) in the United States  N/A	<b>2</b> Check if the foreign partnership must file <u>N/A</u> <input type="checkbox"/> Form 1042 <input type="checkbox"/> Form 8804 <input type="checkbox"/> Form 1065 or 1065-B Service Center where Form 1065 or 1065-B is filed
--	---

<b>3</b> Name and address of foreign partnership's agent in country of organization, if any  N/A	<b>4</b> Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different  Doughty Hanson & Co Limited, Times Place, 45 Pall Mall London SW1Y 5JG
--	--

**5** Were any special allocations made by the foreign partnership?  Yes  No

**6** Number of foreign disregarded entities owned by the partnership (attach list) None

**7** How is this partnership classified under the law of the country in which it is organized? English Limited Partnership

**8** Did the partnership own any separate units within the meaning of Regulations section 1.1503-2(c)(3) or (4)? N/A  Yes  No

**9** Does this partnership meet both of the following requirements?  
 \* The partnership's total receipts for the tax year were less than \$250,000 and  
 \* The value of the partnership's total assets at the end of the tax year was less than \$600,000 N/A  Yes  No  
 If "Yes," do not complete Schedules L, M-1, and M-2

**Sign Here Only If You Are Filing This Form Separately and Not With Your Tax Return**  
 Under penalties of perjury, I declare that I have examined this return including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge

Signature of general partner or limited liability company member	Date
--	------

<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code		EIN	
			Phone no ( )	





Form 8865 (2001)

**Schedule A Constructive Ownership of Partnership Interest.** Check the boxes that apply to the filer. If you check box b, enter the name, address, and U S taxpayer identifying number (if any) of the person(s) whose interest you constructively own. See instructions.

a  Owns a direct interest

b  Owns a constructive interest

Name	Address	Identifying number (if any)	Check if foreign person	Check if direct partner

**Schedule A-1 Certain Partners of Foreign Partnership** (see instructions)

Name	Address	Identifying number (if any)	Check if foreign person
& Capital Partners, L P	345 California Street Suite 3300 San Francisco, CA 94101 USA		

Does the partnership have any other foreign person as a direct partner?  Yes  No

**Schedule A-2 Affiliation Schedule.** List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest. N/A

Name	Address	EIN (if any)	Total ordinary income or loss	Check if foreign partnership
N/A				

**Schedule B Income Statement - Trade or Business Income**

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

I n c o m e	1a	Gross receipts or sales	1a		
	b	Less returns and allowances	1b		1c
D e d u c t i o n s	2	Cost of goods sold			2
	3	Gross profit Subtract line 2 from line 1c			3
	4	Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)			4
	5	Net farm profit (loss) (attach Schedule F (Form 1040))			5
	6	Net gain (loss) from Form 4797, Part II, line 18			6
	7	Other income (loss) (attach schedule)			7
	8	Total income (loss) Combine lines 3 through 7			8
D e d u c t i o n s	9	Salaries and wages (other than to partners) (less employment credits)			9
	10	Guaranteed payments to partners			10
	11	Repairs and maintenance			11
	12	Bad debts			12
	13	Rent			13
	14	Taxes and licenses			14
	15	Interest			15
	16a	Depreciation (if required, attach Form 4562)	16a		
	b	Less depreciation reported on Schedule A and elsewhere on return	16b		16c
	17	Depletion (Do not deduct oil and gas depletion )			17
D e d u c t i o n s	18	Retirement plans, etc			18
	19	Employee benefit programs			19
	20	Other deductions (attach schedule)			20
	21	Total deductions Add the amounts shown in the far right column for lines 9 through 20			21
22	Ordinary income (loss) from trade or business activities Subtract line 21 from line 8			22	

**Schedule A Constructive Ownership of Partnership Interest.** Check the boxes that apply to the filer  
If you check box b, enter the name, address, and U S taxpayer identifying number (if any) of the person(s) whose interest you constructively own See instructions

a  Owns a direct interest b  Owns a constructive interest

Name	Address	Identifying number (if any)	Check if foreign person	Check if direct partner

**Schedule A-1 Certain Partners of Foreign Partnership** (see instructions)

Name	Address	Identifying number (if any)	Check if foreign person
Liberty Mutual Investment Advisors, LLC	175 Berkeley Street Boston, MA 02111 USA		

Does the partnership have any other foreign person as a direct partner?  Yes  No

**Schedule A-2 Affiliation Schedule.** List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest N/A

Name	Address	EIN (if any)	Total ordinary income or loss	Check if foreign partnership
N/A				

**Schedule B Income Statement - Trade or Business Income**

Caution Include only trade or business income and expenses on lines 1a through 22 below See the instructions for more information

I n c o m e	1a	Gross receipts or sales		
	1b	Less returns and allowances		
	2	Cost of goods sold		
	3	Gross profit Subtract line 2 from line 1c		
	4	Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)		
	5	Net farm profit (loss) (attach Schedule F (Form 1040))		
	6	Net gain (loss) from Form 4797, Part II, line 18		
	7	Other income (loss) (attach schedule)		
	8	Total income (loss) Combine lines 3 through 7		
D e d u c t i o n s	9	Salaries and wages (other than to partners) (less employment credits)		
	10	Guaranteed payments to partners		
	11	Repairs and maintenance		
	12	Bad debts		
	13	Rent		
	14	Taxes and licenses		
	15	Interest		
	16a	Depreciation (if required, attach Form 4562)		
	16b	Less depreciation reported on Schedule A and elsewhere on return		
	17	Depletion (Do not deduct oil and gas depletion )		
	18	Retirement plans, etc		
	19	Employee benefit programs		
20	Other deductions (attach schedule)			
	21	Total deductions Add the amounts shown in the far right column for lines 9 through 20		
	22	Ordinary income (loss) from trade or business activities Subtract line 21 from line 8		

**SCHEDULE O**  
**(Form 8865)**

Department of the Treasury  
Internal Revenue Service

**Transfer of Property to a Foreign Partnership**  
**(under section 6038B)**

Attach to Form 8865 See Instructions for Form 8865

OMB No 1545-1868

**2001**

Name of transferor Southern Methodist University	Filer's identifying number 75-0800689
Name of foreign partnership Doughty Hanson & Co Fund II Limited Partnership Number 3, Times Place, 45 Pall Mall, London SW1Y 5JG	

**Part I Transfers Reportable Under Section 6038B**

Type of property	(a) Date of transfer	(b) Number of items transferred	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Section 704(c) allocation method	(f) Gain recognized on transfer	(g) Percentage interest in partnership after transfer
Cash							
Marketable securities							
Inventory							
Tangible property used in trade or business							
Intangible property							
Other property							
N/A	N/A		10				0 5639

**Supplemental Information Required To Be Reported** (see instructions)

**Part II Dispositions Reportable Under Section 6038B**

N/A

(a) Type of property	(b) Date of original transfer	(c) Date of disposition	(d) Manner of disposition	(e) Gain recognized by partnership	(f) Deprecation recapture recognized by partnership	(g) Gain allocated to partner	(h) Deprecation recapture allocated to partner

**Part III** Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)?  Yes  No

Form **8865**

# Return of U.S. Persons With Respect to Certain Foreign Partnerships

OMB No 1545-1668

**2001**

Department of the Treasury  
Internal Revenue Service

Attach to your tax return See separate instructions

Information furnished for the foreign partnership's tax year

(see instructions) beginning January 01, 2001, and ending December, 20 01

Attachment  
Sequence No **118**

**Important** All information must be in English All amounts must be in U S dollars unless otherwise indicated

Name of person filing this return Southern Methodist University Filer's identifying number 75-0800689

Filer's address (if you are not filing this form with your tax return) PO Box 750233  
Dallas, TX 75275-0233  
**A** Category of filer (see Categories of Filers in the instructions and check applicable box(es))  
1  2  3  4

**B** Filer's tax year beginning June 1 20 01, and ending May 31 20 02

**C** Filer's share of liabilities Nonrecourse \$ -0- Qualified nonrecourse financing \$ -0- Other \$ -0-

**D** If filer is a member of a consolidated group but not the parent, enter the following information about the parent

Name \_\_\_\_\_ EIN \_\_\_\_\_  
Address \_\_\_\_\_

**E** Information about certain other partners (see instructions)

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Category 1	Category 2	Constructive owner
Not Applicable					

**F1** Name and address of foreign partnership Doughty Hanson & Co Fund III, Limited Partnership Number 6  
Times Place, 45 Pall Mall  
London SW1Y 5JG, United Kingdom  
**2** EIN (if any) 98-0179559  
**3** Country under whose laws organized United Kingdom

**4** Date of organization 11/4/1997 **5** Pnncipal place of business United Kingdom **6** Pnncipal business activity code number 523900 **7** Pnncipal business activity Other Financial Investment Activity **8** Functional currency and exchange rate (see instr ) US Dollar

**G** Provide the following information for the foreign partnership's tax year

**1** Name, address, and identifying number of agent (if any) in the United States N/A  
**2** Check if the foreign partnership must file N/A  
 Form 1042  Form 8804  Form 1065 or 1065-B  
Service Center where Form 1065 or 1065-B is filed

**3** Name and address of foreign partnership's agent in country of organization, if any N/A  
**4** Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different Doughty Hanson & Co Limited, Times Place, 45 Pall Mall  
London SW1Y 5JG

**5** Were any special allocations made by the foreign partnership?  Yes  No

**6** Number of foreign disregarded entities owned by the partnership (attach list) None

**7** How is this partnership classified under the law of the country in which it is organized? English Limited Partnership

**8** Did the partnership own any separate units within the meaning of Regulations section 1.1503-2(c)(3) or (4)? N/A  Yes  No

**9** Does this partnership meet both of the following requirements?  Yes  No

- \* The partnership's total receipts for the tax year were less than \$250,000 and
- \* The value of the partnership's total assets at the end of the tax year was less than \$600,000

N/A  Yes  No

If "Yes," do not complete Schedules L, M-1, and M-2

**Sign Here Only If You Are Filing This Form Separately and Not With Your Tax Return**  
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge

Signature of general partner or limited liability company member \_\_\_\_\_ Date \_\_\_\_\_

**Paid Preparer's Use Only**  
Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed  Preparer's SSN or PTIN \_\_\_\_\_  
Firm's name (or yours if self-employed), address, and ZIP code \_\_\_\_\_ EIN \_\_\_\_\_  
Phone no ( ) \_\_\_\_\_

**Schedule A Constructive Ownership of Partnership Interest** Check the boxes that apply to the filer  
 If you check box b, enter the name, address, and U S taxpayer identifying number (if any) of the person(s) whose interest you constructively own See instructions

a  Owns a direct interest b  Owns a constructive interest

Name	Address	Identifying number (if any)	Check if foreign person	Check if direct partner

**Schedule A-1 Certain Partners of Foreign Partnership** (see instructions)

Name	Address	Identifying number (if any)	Check if foreign person
The Rockefeller University	1230 York Avenue New York, NY 10021 United States of America		

Does the partnership have any other foreign person as a direct partner?  Yes  No

**Schedule A-2 Affiliation Schedule.** List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest N/A

Name	Address	EIN (if any)	Total ordinary income or loss	Check if foreign partnership

**Schedule B Income Statement - Trade or Business Income**

Caution Include only trade or business income and expenses on lines 1a through 22 below See the instructions for more information

I n c o m e	1a	Gross receipts or sales	1a		1c	
	b	Less returns and allowances	1b		1c	
D e d u c t i o n s	2	Cost of goods sold			2	
	3	Gross profit Subtract line 2 from line 1c			3	
	4	Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)			4	
	5	Net farm profit (loss) (attach Schedule F (Form 1040))			5	
	6	Net gain (loss) from Form 4797, Part II, line 18			6	
	7	Other income (loss) (attach schedule)			7	
	8	Total income (loss) Combine lines 3 through 7			8	
D e d u c t i o n s	9	Salaries and wages (other than to partners) (less employment credits)			9	
	10	Guaranteed payments to partners			10	
	11	Repairs and maintenance			11	
	12	Bad debts			12	
	13	Rent			13	
	14	Taxes and licenses			14	
	15	Interest			15	
	16a	Depreciation (if required, attach Form 4562)	16a		16c	
	b	Less depreciation reported on Schedule A and elsewhere on return	16b		16c	
	17	Depletion (Do not deduct oil and gas depletion )			17	
D e d u c t i o n s	18	Retirement plans, etc			18	
	19	Employee benefit programs			19	
	20	Other deductions (attach schedule)			20	
	21	Total deductions Add the amounts shown in the far right column for lines 9 through 20			21	
22	Ordinary income (loss) from trade or business activities Subtract line 21 from line 8			22		

**SCHEDULE O**  
**(Form 8865)**

Department of the Treasury  
Internal Revenue Service

**Transfer of Property to a Foreign Partnership**

**(under section 6038B)**

OMB No 1545-1888

**2001**

Attach to Form 8865 See Instructions for Form 8865

Name of transferor Southern Methodist University	Filer's identifying number 75-0800689
Name of foreign partnership Doughty Hanson & CO Fund III, Limited Partnership Number 6, Times Place, 45 Pall Mall, London SW1Y 5JG, United Kingdom	

**Part I Transfers Reportable Under Section 6038B**

Type of property	(a) Date of transfer	(b) Number of items transferred	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Section 704(c) allocation method	(f) Gain recognized on transfer	(g) Percentage interest in partnership after transfer
Cash	05/04/01		8,355				11 62791
	05/08/01		466,301				11 62791
	08/23/01		2,785				11 62791
	04/07/01		40,600				11 62791
	09/24/01		8,355				11 62791
	11/12/01		14,357				11 62791
Marketable securities							
Inventory							
Tangible property used in trade or business							
Intangible property							
Other property							

**Supplemental Information Required To Be Reported** (see instructions)

**Part II Dispositions Reportable Under Section 6038B**

N/A

(a) Type of property	(b) Date of original transfer	(c) Date of disposition	(d) Manner of disposition	(e) Gain recognized by partnership	(f) Depreciation recapture recognized by partnership	(g) Gain allocated to partner	(h) Depreciation recapture allocated to partner

**Part III** Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)?  Yes  No

Form **8865**

# Return of U.S. Persons With Respect to Certain Foreign Partnerships

OMB No 1545-1668

## 2001

Department of the Treasury  
Internal Revenue Service

▶ Attach to your tax return See separate instructions  
Information furnished for the foreign partnership's tax year  
(see instructions) beginning 01/01 2001, and ending 12/31 2001

Attachment  
Sequence No 118

Important. All information must be in English All amounts must be in U S dollars unless otherwise indicated

Name of person filing this return **Southern Methodist University** Filer's identifying number **75-0800689**

Filer's address (if you are not filing this form with your tax return)  
**PO Box 750233  
Dallas, TX 75275-0233**

A Category of filer (see Categories of Filers in the instructions and check applicable box(es))  
1  2  3  4

B Filer's tax year beginning June 01 2001, and ending May 31 2002

C Filer's share of liabilities Nonrecourse \$ **-0-** Qualified nonrecourse financing \$ **-0-** Other \$ **-0-**

D If filer is a member of a consolidated group but not the parent, enter the following information about the parent: **Not Applicable**

Name **EIN**  
Address

E Information about certain other partners (see instructions)

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Category 1	Category 2	Constructive owner
NOT APPLICABLE					

F1 Name and address of foreign partnership  
**HMTF EQUITY FUND IV (1999) CAYMAN, LP  
C/O HICKS, MUSE, TATE & FURST INCORPORATED  
200 CRESCENT COURT, SUITE 1600, DALLAS, TX 75201**

2 EIN (if any)  
**98-0214613**

3 Country under whose laws organized  
**CAYMAN ISLANDS**

4 Date of organization **11/5/99** 5 Principal place of business **CAYMAN ISLANDS** 6 Principal business activity code number **525990** 7 Principal business activity **INVESTMENTS** 8 Functional currency and exchange rate (see instr) **US DOLLAR**

G Provide the following information for the foreign partnership's tax year

1 Name, address, and identifying number of agent (if any) in the United States **NOT APPLICABLE**

2 Check if the foreign partnership must file:  
 Form 1042  Form 8804  Form 1065 or 1065-B  
Service Center where Form 1065 or 1065-B is filed  
**PHILADELPHIA, PA**

3 Name and address of foreign partnership's agent in country of organization, if any  
**HUNTLOW CORPORATE SERVICES LIMITED  
THE HUNTLOW BUILDING, FORT STREET  
GEORGETOWN, GRAND CAYMAN, CAYMAN ISLANDS**

4 Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different  
**LINDA THOMPSON  
HICKS, MUSE, TATE & FURST INCORPORATED  
200 CRESCENT COURT, SUITE 1600, DALLAS, TX 75201**

5 Were any special allocations made by the foreign partnership? ▶  Yes  No

6 Number of foreign disregarded entities owned by the partnership (attach list) ▶ **NONE**

7 How is this partnership classified under the law of the country in which it is organized? ▶ **EXEMPTED LIMITED PARTNERSHIP**

8 Did the partnership own any separate units within the meaning of Regulations section 1.1503-2(c)(3) or (4)? ▶  Yes  No

9 Does this partnership meet both of the following requirements?  
• The partnership's total receipts for the tax year were less than \$250,000 and  
• The value of the partnership's total assets at the end of the tax year was less than \$600,000  
If "Yes," do not complete Schedules L, M-1, and M-2. } ▶  Yes  No  
**NOT APPLICABLE**

Sign Here Only If You Are Filing This Form Separately and Not With Your Tax Return

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member \_\_\_\_\_ Date \_\_\_\_\_

Paid Preparer's Use Only

Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed  Preparer's SSN or PTIN \_\_\_\_\_

Firm's name (or yours if self-employed), address and ZIP code \_\_\_\_\_ EIN \_\_\_\_\_ Phone no \_\_\_\_\_

**Schedule A-1** Constructive Ownership of Partnership Interest. Check the boxes that apply to the filer. If you check box b, enter the name, address, and U S taxpayer identifying number (if any) of the person(s) whose interest you constructively own. See instructions.

a  Owns a direct interest b  Owns a constructive interest

Name	Address	Identifying number (if any)	Check if foreign person	Check if direct partner

**Schedule A-1** Certain Partners of Foreign Partnership (see instructions)

Name	Address	Identifying number (if any)	Check if foreign person
NOT APPLICABLE - PARTNER OWNS LESS THAN 10% IN TRANSFEREE PARTNERSHIP AND TRANSFERRED SOLELY CASH			

Does the partnership have any other foreign person as a direct partner?  Yes  No

**Schedule A-2** Affiliation Schedule. List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest.

Name	Address	EIN (if any)	Total ordinary income or loss	Check if foreign partnership
SEED ACQUISITION, CV	C/O HICKS, MUSE, TATE & FURST, INCORPORATED	75-2793161	NOT APPLICABLE	X
INTERNATIONAL SEED HOLDINGS, LE	200 CRESCENT COURT	98-0214611	NOT APPLICABLE	X
HI CAYMAN, LP	SUITE 1600	98-0336528	APPLICABLE	X
EUROPEAN PCB GROUP CAYMAN	DALLAS, TX 75201	98-0224974	N/A	X

**Schedule B** Income Statement — Trade or Business Income

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a	Gross receipts or sales		1a		1c		
		b	Less returns and allowances		1b			
	2	Cost of goods sold		2				
	3	Gross profit. Subtract line 2 from line 1c		3				
	4	Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)		4				
	5	Net farm profit (loss) (attach Schedule F (Form 1040))		5				
	6	Net gain (loss) from Form 4797, Part II, line 18		6				
	7	Other income (loss) (attach schedule)		7				
8	Total income (loss). Combine lines 3 through 7		8					
Deductions (see page 8 of the instructions for limitations)	9	Salaries and wages (other than to partners) (less employment credits)		9				
	10	Guaranteed payments to partners		10				
	11	Repairs and maintenance		11				
	12	Bad debts		12				
	13	Rent		13				
	14	Taxes and licenses		14				
	15	Interest		15				
	16a	Depreciation (if required, attach Form 4562)		16a				
		b	Less depreciation reported on Schedule A and elsewhere on return		16b		16c	
	17	Depletion (Do not deduct oil and gas depletion)		17				
	18	Retirement plans, etc.		18				
	19	Employee benefit programs		19				
	20	Other deductions (attach schedule)		20				
	21	Total deductions. Add the amounts shown in the far right column for lines 9 through 20		21				
22	Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8		22					



**SCHEDULE O**  
**(Form 8865)**

**Transfer of Property to a Foreign Partnership**  
**(under section 6038B)**

OMB No 1545-1668

**2001**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 8865 See Instructions for Form 8865

Name of transferor <b>Southern Methodist University</b>	Filer's identifying number <b>75-0800689</b>
Name of foreign partnership <b>HMTF EQUITY FUND IV (1999) CAYMAN, LP</b>	

**Part I** Transfers Reportable Under Section 6038B

Type of property	(a) Date of transfer	(b) Number of items transferred	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Section 704(c) allocation method	(f) Gain recognized on transfer	(g) Percentage interest in partnership after transfer
Cash							
Marketable securities							
Inventory							
Tangible property used in trade or business							
Intangible property							
Other property	7/27/01	N/A	137,042				527061

Supplemental Information Required To Be Reported (see instructions)

INTEREST IN A SENIOR SUBORDINATED PROMISSORY NOTE FROM STONEVILLE HOLDING CORPORATION -  
AT TAX BASIS

**Part II** Dispositions Reportable Under Section 6038B

(a) Type of property	(b) Date of original transfer	(c) Date of disposition	(d) Manner of disposition	(e) Gain recognized by partnership	(f) Depreciation recapture recognized by partnership	(g) Gain allocated to partner	(h) Depreciation recapture allocated to partner

**Part III** Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)?

▶  Yes  No

# Return of U.S. Persons With Respect to Certain Foreign Partnerships

## 2001

Department of the Treasury  
Internal Revenue Service

▶ Attach to your tax return See separate instructions.  
Information furnished for the foreign partnership's tax year  
(see instructions) beginning 01/01, 2001, and ending 12/31, 20 01

Attachment  
Sequence No 118

**Important: All information must be in English. All amounts must be in U S dollars, unless otherwise indicated.**

Name of person filing this return <b>Southern Methodist University</b>	Filer's identifying number <b>75-0800689</b>
---	---

Filer's address (if you are not filing this form with your tax return) <b>PO Box 750233 Dallas, TX 75275-0233</b>	A Category of filer (see Categories of Filers in the instructions and check applicable box(es)) 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> B Filer's tax year beginning <u>June 1</u> 20 <u>01</u> , and ending <u>May 31</u> 20 <u>02</u>
--	--

C Filer's share of liabilities Nonrecourse \$ **-0-** Qualified nonrecourse financing \$ **-0-** Other \$ **-0-**

D If filer is a member of a consolidated group but not the parent, enter the following information about the parent. **Not Applicable**

Name	EIN
Address	

E Information about certain other partners (see instructions)

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Category 1	Category 2	Constructive owner
NOT APPLICABLE					

F1 Name and address of foreign partnership <b>PANAM SPORTS FUND IV LIMITED PARTNERSHIP C/O HICKS, MUSE, TATE &amp; FURST INCORPORATED 200 CRESCENT COURT, SUITE 1600, DALLAS TX 75201</b>	2 EIN (if any) <b>98-0211025</b> 3 Country under whose laws organized <b>CAYMAN ISLANDS</b>
--	--

4 Date of organization <b>07/15/1999</b>	5 Principal place of business <b>CAYMAN ISLANDS</b>	6 Principal business activity code number <b>523900</b>	7 Principal business activity <b>INVESTMENTS</b>	8 Functional currency and exchange rate (see instr) <b>US DOLLAR</b>
---	--	--	---	---

G Provide the following information for the foreign partnership's tax year

1 Name, address, and identifying number of agent (if any) in the United States <b>NOT APPLICABLE</b>	2 Check if the foreign partnership must file. <input type="checkbox"/> Form 1042 <input type="checkbox"/> Form 8804 <input checked="" type="checkbox"/> Form 1065 or 1065-B Service Center where Form 1065 or 1065-B is filed <b>PHILADELPHIA, PA</b>
--	--

3 Name and address of foreign partnership's agent in country of organization, if any <b>HUNTLAW CORPORATE SERVICES LIMITED THE HUNTLAW BUILDING, FORT STREET GEORGETOWN, GRAND CAYMAN, CAYMAN ISLANDS</b>	4 Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different <b>DAVID W KNICKEL HICKS, MUSE, TATE &amp; FURST INCORPORATED 200 CRESCENT COURT, SUITE 1600, DALLAS, TX 75201</b>
--	--

5 Were any special allocations made by the foreign partnership? ▶  Yes  No

6 Number of foreign disregarded entities owned by the partnership (attach list) ▶ **NONE**

7 How is this partnership classified under the law of the country in which it is organized? ▶ **EXEMPTED LIMITED PARTNERSHIP**

8 Did the partnership own any separate units within the meaning of Regulations section 1.1503-2(c)(3) or (4)? ▶  Yes  No

9 Does this partnership meet both of the following requirements?  
 • The partnership's total receipts for the tax year were less than \$250,000 and  
 • The value of the partnership's total assets at the end of the tax year was less than \$600,000  
 If "Yes," do not complete Schedules L, M-1, and M-2. ▶  Yes  No  
**NOT APPLICABLE**

Sign Here Only If You Are Filing This Form Separately and Not With Your Tax Return

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member \_\_\_\_\_ Date \_\_\_\_\_

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address and ZIP code	EIN	Phone no.	

**Schedule A-1** Constructive Ownership of Partnership Interest. Check the boxes that apply to the filer. If you check box b, enter the name, address, and U.S. taxpayer identifying number (if any) of the person(s) whose interest you constructively own. See instructions.

a  Owns a direct interest b  Owns a constructive interest

Name	Address	Identifying number (if any)	Check if foreign person	Check if direct partner

**Schedule A-1f** Certain Partners of Foreign Partnership (see instructions)

Name	Address	Identifying number (if any)	Check if foreign person
NOT APPLICABLE - PARTNER OWNS LESS THAN 10% IN TRANSFEREE PARTNERSHIP AND TRANSFERRED SOLELY CASH			

Does the partnership have any other foreign person as a direct partner?  Yes  No

**Schedule A-2** Affiliation Schedule. List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest.

Name	Address	EIN (if any)	Total ordinary income or loss	Check if foreign partnership
PAN AMERICAN SPORTS PARTNERS CO	C/O HICKS, MUSE, TATE &	98-0208123	NOT	X
PAN AMERICAN SPORTS HOLDINGS LTD	FURST, INCORPORATED	98-0208125	APPLICABLE	X
	200 CRESCENT COURT			
	SUITE 1600			
	DALLAS, TX 75201			

**Schedule B** Income Statement - Trade or Business Income

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

	1a	1b	1c
<b>Income</b>			
1 a Gross receipts or sales			
b Less returns and allowances			
2 Cost of goods sold			2
3 Gross profit. Subtract line 2 from line 1c			3
4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)			4
5 Net farm profit (loss) (attach Schedule F (Form 1040))			5
6 Net gain (loss) from Form 4797, Part II, line 18			6
7 Other income (loss) (attach schedule)			7
8 Total income (loss). Combine lines 3 through 7			8
<b>Deductions (see page 8 of the instructions for limitations)</b>			
9 Salaries and wages (other than to partners) (less employment credits)			9
10 Guaranteed payments to partners			10
11 Repairs and maintenance			11
12 Bad debts			12
13 Rent			13
14 Taxes and licenses			14
15 Interest			15
16a Depreciation (if required, attach Form 4562)	16a		
b Less depreciation reported on Schedule A and elsewhere on return	16b		16c
17 Depletion (Do not deduct oil and gas depletion)			17
18 Retirement plans, etc.			18
19 Employee benefit programs			19
20 Other deductions (attach schedule)			20
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21
22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8			22

**SCHEDULE O**  
**(Form 8865)**

**Transfer of Property to a Foreign Partnership**  
**(under section 6038B)**

OMB No 1545-1668

**2001**

Department of the Treasury  
Internal Revenue Service

Attach to Form 8865 See Instructions for Form 8865

Name of transferor  
Southern Methodist University

Filer's identifying number  
75-0800689

Name of foreign partnership  
Panam Sports Fund IV Limited Partnership

**Part I Transfers Reportable Under Section 6038B**

Type of property	(a) Date of transfer	(b) Number of items transferred	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Section 704(c) allocation method	(f) Gain recognized on transfer	(g) Percentage interest in partnership after transfer
Cash	04/27/01		296,402				527060
	08/06/01		143,580				527060
	11/19/01		79,007				527060
Marketable securities							
Inventory							
Tangible property used in trade or business							
Intangible property							
Other property							

Supplemental Information Required To Be Reported (see instructions)

**Part II Dispositions Reportable Under Section 6038B**

(a) Type of property	(b) Date of original transfer	(c) Date of disposition	(d) Manner of disposition	(e) Gain recognized by partnership	(f) Depreciation recapture recognized by partnership	(g) Gain allocated to partner	(h) Depreciation recapture allocated to partner

**Part III** Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)?  Yes  No

Form **8865**

# Return of U.S. Persons With Respect to Certain Foreign Partnerships

OMB No 1545-1668

## 2001

Department of the Treasury  
Internal Revenue Service

Attach to your tax return See separate instructions  
Information furnished for the foreign partnership's tax year

Attachment  
Sequence No **118**

(see instructions) beginning January 01, 2001, and ending December, 20 01

**Important** All information must be in English All amounts must be in U S dollars unless otherwise indicated

Name of person filing this return  
**Southern Methodist University**

Filer's identifying number  
**75-0800689**

Filer's address (if you are not filing this form with your tax return)  
**P O Box 750233  
Dallas, TX 75275-0233**

**A** Category of filer (see Categories of filers in the instructions and check applicable box(es))  
1  2  3  4

**B** Filer's tax year beginning June 01, 20 01 and ending May 31, 20 02

**C** Filer's share of liabilities Nonrecourse \$ -0- Qualified nonrecourse financing \$ -0- Other \$ -0-

**D** If filer is a member of a consolidated group but not the parent, enter the following information about the parent **Not Applicable**

Name \_\_\_\_\_ EIN \_\_\_\_\_  
Address \_\_\_\_\_

**E** Information about certain other partners (see instructions)

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Category 1	Category 2	Constructive owner
N/A					

**F1** Name and address of foreign partnership  
**Private Advisors Small Company Buyout Fund  
1801 Bayberry Court, Suite 303  
Richmond, VA 23226**

**2** EIN (if any)  
**54-2025625**

**3** Country under whose laws organized  
**Cayman Islands**

**4** Date of organization 3/7/2000 **5** Principal place of business Cayman Islands **6** Principal business activity code number 523900 **7** Principal business activity Investments **8** Functional currency and exchange rate (see instr) USD

**G** Provide the following information for the foreign partnership's tax year

**1** Name, address and identifying number of agent (if any) in the United States  
**Eastpointe Management, LLC  
330 Old Country Road, Ste 204, Mineola, NY 11501**

**2** Check if the foreign partnership must file  
 Form 1042  Form 8804  Form 1065 or 1065-B  
Service Center where Form 1065 or 1065-B is filed  
**Pennsylvania**

**3** Name and address of foreign partnership's agent in country of organization, if any  
**NONE**

**4** Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different  
**NONE**

- 5** Were any special allocations made by the foreign partnership?  Yes  No
  - 6** Number of foreign disregarded entities owned by the partnership (attach list) None
  - 7** How is this partnership classified under the law of the country in which it is organized? Exempted Limited Partnership
  - 8** Did the partnership own any separate units within the meaning of Regulations section 1.1503-2(c)(3) or (4)? N/A  Yes  No
  - 9** Does this partnership meet both of the following requirements?  
    - \* The partnership's total receipts for the tax year were less than \$250,000 and
    - \* The value of the partnership's total assets at the end of the tax year was less than \$600,000N/A  Yes  No
- If "Yes," do not complete Schedules L, M-1, and M-2

**Sign Here Only If You Are Filing This Form Separately and Not With Your Tax Return**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge

Signature of general partner or limited liability company member \_\_\_\_\_ Date \_\_\_\_\_

**Paid Preparer's Use Only**

Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed  Preparer's SSN or PTIN \_\_\_\_\_  
Firm's name (or yours if self-employed), address, and ZIP code \_\_\_\_\_ EIN \_\_\_\_\_  
Phone no ( ) \_\_\_\_\_



**SCHEDULE O  
(Form 8865)**

Department of the Treasury  
Internal Revenue Service

**Transfer of Property to a Foreign Partnership**

**(under section 6038B)**

OMB No 1545-1868

**2001**

Attach to Form 8865 See Instructions for Form 8865

Name of transferor <b>Southern Methodist University</b>	Filer's identifying number <b>75-0800689</b>
Name of foreign partnership <b>Private Advisors Small Company Buyout Fund</b>	

**Part I Transfers Reportable Under Section 6038B**

Type of property	(a) Date of transfer	(b) Number of items transferred	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Section 704(c) allocation method	(f) Gain recognized on transfer	(g) Percentage interest in partnership after transfer
Cash	Various		397,591				Various
Marketable securities							
Inventory							
Tangible property used in trade or business							
Intangible property							
Other property							

**Supplemental Information Required To Be Reported** (see instructions)

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**Part II Dispositions Reportable Under Section 6038B**

(a) Type of property	(b) Date of original transfer	(c) Date of disposition	(d) Manner of disposition	(e) Gain recognized by partnership	(f) Depreciation recapture recognized by partnership	(g) Gain allocated to partner	(h) Depreciation recapture allocated to partner

**Part III** Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)?  Yes  No

**Schedule B**(Form 990, 990-EZ,  
or 990-PF)Department of the Treasury  
Internal Revenue Service**Schedule of Contributors**Supplementary Information for  
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

**2001**

Name of organization

Southern Methodist University

Employer identification number

75-0800689

Organization type (check one)

**Filers of****Section**

Form 990 or 990-EZ

 501(c)( 3 ) (enter number) organization 4947(a)(1) nonexempt charitable trust not treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundation

Check if your organization is covered by the General rule or a Special rule (Note Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule - see instructions )

**General Rule -**

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II )

**Special Rules -**

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II )

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III )

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc , purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc , purpose Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year )

\$ \_\_\_\_\_

Caution Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)



Southern Methodist University

75-0800689  
Form 990 -2001  
May 31, 2002

Part I

Line 7- Other Investment Income

	<u>AMOUNT</u>
Mortgage Notes Interest Income	535,020
Mineral Interest Revenue	2,283,226
Funds Held in Trust by Others Income	<u>432,738</u>
Total	<u><u>3,250,983</u></u>



Southern Methodist University

Form 990- 2001  
May 31, 2002  
75-0800689

Part I

Line 9 -Special Fundraising Events and Activities

	<u>Gross Revenue</u>	<u>Contributions not included in gross receipts</u>	<u>Gross revenue excluding contributions</u>	<u>Direct expenses</u>	<u>Net income</u>
Golf Tournament	107,495	79,575	27,920	18,091	9,829
Silent Auction	<u>8,357</u>	<u>200</u>	<u>8,157</u>	<u>5,892</u>	<u>2,265</u>
Total	<u><u>115,852</u></u>	<u><u>79,775</u></u>	<u><u>36,077</u></u>	<u><u>23,983</u></u>	<u><u>12,094</u></u>

Southern Methodist University

75-0800689  
Form 990 -2001  
Part I  
May 31, 2002

Line 20 - Other changes in net assets or fund balances

	<u>AMOUNT</u>
Unrealized losses on investments	<u>(11,507,335)</u>
Total	<u><u>(11,507,335)</u></u>

Southern Methodist University

75-0800689

Form 990- 2001

Net Assets Reconciliation

May 31, 2002

Amount

**Net assets reported on line 21, Part I**

1,076,950,690

Adjustments-

Unrelated business income and expenses not reflected in SMU's financial statements at year end

Intercollegiate Athletics- program advertising income

(25,340)

SMU Southwest Review- advertising income

(2,085)

Landreth oil royalties

(2,196)

Landreth oil lease expenses

1,095

1,076,922,164

**Net assets reported on Line 73, Part IV, column (B)**

1,076,922,164

Southern Methodist University

75-0800689

Form 990 -2001

Part II

May 31, 2002

Line 22, Column B

A list of recipients of scholarships and fellowships is on file at the University and is available on request. Although there may be recipients who are related to persons having an interest in the institution, such recipients are selected on an equal, objectively determinable basis with other recipients. That is, all such students receiving scholarships are judged worthy by the institution's assessment on the basis of academic achievement, financial need and other similar standards.

Southern Methodist University

75-0800689  
Form 990- 2001  
Part II and Part IV  
May 31, 2002

Line 42- Depreciation (Part II)

Line 57- Depreciation Assets (Part IV)

Assets	Date Acquired	Book Value	Accumulated Depreciation	Useful Life	Current Depreciation
Buildings	Various	\$383,771,711	\$114,810,073	20-50 years	\$8,440,681
Land Improvements	Various	18,907,082	11,123,839	20-50 years	760,169
Equipment	Various	63,381,918	22,636,740	4-10 years	3,688,161
Land	Various	<u>26,627,945</u>	-	-	-
Total		<u><u>\$492,688,656</u></u>	<u><u>\$148,570,652</u></u>		
Total Net Depreciation per Part II line 42					<u><u>\$12,889,010</u></u>
Assets- Beginning of the Year		\$465,446,864			
Plus Net Current Year Additions		<u>27,241,792</u>			
Total		<u><u>\$492,688,656</u></u>			

\*See attached Part II Line 42- Depreciation expense allocation among categories

Southern Methodist University

75-0800689

Form 990- 2001

Part II -Depreciation Expense

May 31, 2002

Line 42- Depreciation Expense Allocation Among Categories

	Program Services	Direct Cost Management General	Fundraising	Total
Salaries and Wages	104,449,674	12,069,357	2,860,279	119,379,311
Employee Benefits	24,076,476	3,208,311	693,201	27,977,987
Supplies	6,736,174	190,466	95,567	7,022,207
Telephone	801,817	62,099	37,886	901,801
Postage and Shipping	1,500,577	40,141	236,344	1,777,062
Equipment Rentals & Maint	773,748	16,398	45,378	835,524
Printing and Publications	3,863,026	137,608	391,074	4,391,707
Property Costs	1,734,846	449,610	2,467	2,186,923
Computer Costs	4,453,511	257,918	66,228	4,777,656
Other Professional Services	11,474,110	312,694	133,042	11,919,846
Miscellaneous	<u>12,277,182</u>	<u>4,264,102</u>	<u>178,105</u>	<u>16,719,388</u>
Total	<u>172,141,140</u>	<u>21,008,703</u>	<u>4,739,570</u>	<u>197,889,413</u>
Percentage -	86.989%	10.616%	2.395%	100.000%
Allocation -	<u>11,211,963</u>	<u>1,368,347</u>	<u>308,700</u>	<u>12,889,010</u>



Southern Methodist University

75-0800689  
 Form 990 2001  
 Part II  
 May 31, 2002

Line 43- Other Expenses

	<u>Total (A)</u>	<u>Program Services (B)</u>	<u>Management General (C)</u>	<u>Fundraising (D)</u>
a) Public Relations	4,830,777	4,082,884	388,963	358,931
b) Books & Periodicals	4,845,848	4,845,848	0	-
c) Property Costs	2,220,471	1,761,460	456,508	2,505
d) Computer Costs	4,840,604	4,512,189	261,315	67,100
e) Other Professionals/Outside Services	11,956,126	11,509,031	313,648	133,447
g) Miscellaneous	<u>18,433,589</u>	<u>13,535,932</u>	<u>4,701,290</u>	<u>196,367</u>
<b>Total</b>	<u><u>47,127,416</u></u>	<u><u>40,247,344</u></u>	<u><u>6,121,723</u></u>	<u><u>758,349</u></u>

Southern Methodist University

75-0800689  
Form 990- 2001  
May 31, 2002

Part III -Statement of Program Service Activities

Line e - Other Program Service Activities

	<u>AMOUNT</u>
Student Loan & Annuity Funds administrative expenses	<u>(26,930)</u>
Total	<u><u>(26,930)</u></u>

Southern Methodist University  
75 0800689

Form 990-2001  
Part IV Balance Sheets  
May 31 2002

Line 51 (a) Other Notes and Loans Receivable  
(b) Allowance for doubtful accounts

<u>Borrower's Name</u>	<u>Borrower's Relationship to any Officers Directors or Key Employee</u>	<u>Original Amount</u>	<u>Balance Due</u>	<u>Date of note</u>	<u>Maturity date</u>	<u>Repayment terms</u>	<u>Interest Rate</u>	<u>Security</u>	<u>Purpose of Loan</u>
<b><u>Unrestricted Fund</u></b>									
McKinley Maytor H	None	18 627	18 627	2/28/92	5/04/2009	monthly	14%	Assignment of 3% interest in The McKinley Group corporate	Carey Lynn McKinley tuition
Student Notes Receivable	None	-	107 092						
Allowance for doubtful accounts			<u>(79 419)</u>						
Total notes receivable Current Unrestricted			<u>46 300</u>						
<b><u>Restricted Fund</u></b>									
Prashant Jain	None	8 000	8 000	10/03/01	12/15/02	Installment	0%	None	Student Advance
Prashant Jain	None	7 000	7 000	04/30/02	12/15/02	Installment	0%	None	Student Advance
Sheryl Pinto	None	10 498	10 498	01/16/02	10/31/02	Installment	0%	None	Student Advance
Sheryl Pinto	None	454	454	04/22/02	10/31/02	Lump sum	0%	None	Student Advance
Shoufeng Cao	None	8 000	8 000	08/29/01	11/22/02	Lump sum	0%	None	Student Advance
Li Zhou	None	7 000	7 000	01/28/02	11/30/02	Installment	0%	None	Student Advance
Ignacio Serrano	None	4 000	4 000	02/13/02	08/01/02	Installment	0%	None	Student Advance
Junyan Hu	None	5 000	5 000	02/12/02	06/15/03	Lump sum	0%	None	Student Advance
Desiree Young	None	950	<u>950</u>	02/12/02	07/31/02	Lump sum	0%	None	Student Advance
Total notes receivable Restricted Fund			<u>50 902</u>						
<b><u>Plant Fund</u></b>									
Alpha Chi Omega House	None	600 000	555 072	01/01/97	12/31/21	25yrs	8.75%	Deed of Trust, Security Agreement	
SMU Bookstore Park Cities Plaza	None	738 778	946 071	05/31/01	06/01/11	monthly	12.41%	None	Leaschold Improvements
Fredenck & Leslie Mueller	None	700 000	475,363	04/30/99	06/01/07	monthly	7%	Property acquired	Sale of donated land
Holt & Schneeman	None	433 393	399 036	07/09/99	07/09/14	annually	7.75%	Property acquired	Sale of donated land
Lamda Chi Alpha	None	54 962	33 554	01/01/98	09/01/07	semi annual	6%	None	Computer network connection

Lambda Chi Alpha	None	12,000	10,421	08/01/01	08/01/06	quarterly	6%	None	Fire Security System
Sigma Alpha Epsilon	None	52,543	34,503	01/01/98	09/01/07	semi-annual	6%	None	Computer network connection
Sigma Chi	None	48,425	<u>29,562</u>	01/01/98	09/01/07	semi annual	6%	None	Computer network connection
Total notes receivable Plant Fund			<u>2,483,582</u>						
<u>Endowment Fund.</u>									
Dixie Rice	None	1,500,000	637,500	1/3/89	6/30/2006	17.5 years	7.5%	200,000 shares common stock	Acquired as gift
Sigma Chi	None	502,181	387,498	9/01/93	09/01/14	monthly	8.14%	Deed of trust	
Chi Omega	None	44,000	23,546	6/25/93	08/01/08	quarterly	6.50%	Deed of trust	
Delta Gamma	None	65,000	3,710	6/1/92	09/01/02	monthly	7.0%	Deed of trust	
Mortgage notes receivable	None		<u>339,273</u>					Property acquired	Faculty and staff mortgages
Total Notes receivable Endowment Fund			<u>1,391,527</u>						
<u>Loan Fund.</u>									
Total Student Loan Fund notes receivable			6,065,231						Student Loan
Allowance for doubtful accounts			<u>(220,771)</u>						
Total notes receivable Loan Fund			<u>5,844,460</u>						
Total Notes Receivable			10,116,961						
Less Total Allowance for doubtful accounts			<u>(300,190)</u>						
Total net other notes and loans receivable			<u>9,816,771</u>						

Southern Methodist University

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 Form 990- 2001  
 Part IV- Balance Sheets  
 May 31, 2002

Line 54- Investments-Securities

	<u>Stocks</u>	<u>Bonds</u>			<u>Total Bonds</u>	<u>Total Stocks &amp; Bonds</u>
		<u>Corporate &amp; Other</u>	<u>Federal</u>	<u>State/Local</u>		
Current Unrestricted	5,305,498	1,766,661	2,448,976	209	4,215,846	9,521,344
Current Restricted	2,669,546	-	-	-	-	2,669,546
Endowment	419,336,275	153,650,718	1,670,525		155,321,243	574,657,518
Plant Fund	227,770	-	45,134,852	-	45,134,852	45,362,622
Loan Fund	-	1,106,521	-	-	1,106,521	1,106,521
Annuity	<u>3,372,187</u>	<u>2,480,068</u>			<u>2,480,068</u>	<u>5,852,255</u>
Total	<u><u>430,911,276</u></u>	<u><u>159,003,968</u></u>	<u><u>49,254,353</u></u>	<u><u>209</u></u>	<u><u>208,258,530</u></u>	<u><u>639,169,806</u></u>

See attached line 54 detail

Southern Methodist University

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Part IV- Balance Sheets  
May 31, 2002

<u>Line 54- DETAIL</u>	<u>AMOUNT</u>
Stocks	
Publicly traded stocks at market value	410,436,755
Non-publicly traded stock at market value	
Club Corporation International	18,334,271
Industrial Properties	2,126,250
Citizens National Bank of Hillsboro	<u>14,000</u>
Total Stocks	<u><u>430,911,276</u></u>
Bonds	
Publicly traded bonds at market value	53,286,719
Non-publicly traded bonds at market value (The Common Fund)	<u>154,971,811</u>
Total Bonds	<u><u>208,258,530</u></u>

Southern Methodist University  
Form 990 2001  
75 0800689  
Part IV Balance Sheet  
May 31 2002

Line 55 Investments Land Buildings and Equipment basis

Description	Book Value	Accumulated Depreciation	Net Book Value
<b>Unrestricted.</b>			
Orange County Texas	2 134		2 134
Lots 1 16 Presidio TX	1		1
Cumberland School Property Dallas County, Tx	378 473	151,425	227 048
N_S 82 Joint Venture Dallas County Tx	6 390		6,390
Miscellaneous	33		33
Total Current Unrestricted	<u>387 031</u>	<u>151 425</u>	<u>235 606</u>
<b>Current Restricted.</b>			
Land Fort Bend County	190,467		190,467
Prejean Svy Orange Co, Tx	4,000		4,000
12 99 Acres Hwy 75 Denison TX	10 750		10,750
Total Current Restricted	<u>205 217</u>	<u>0</u>	<u>205 217</u>
<b>Plant Fund.</b>			
Land Grayson County Texas	4 260		4 260
Various Mineral Rights	3		3
Total Plant Fund	<u>4 263</u>	<u>0</u>	<u>4 263</u>
<b>Loan Fund.</b>			
<b>Endowment Fund.</b>			
208 10 North Akard Street	215,000		215,000
212 14 North Akard Street	180,000		180,000
1705 07Elm Street	250,000		250,000
Easterwood Land LSE City of Dallas	59,940		59 940
5023 Stanford (Mulcahy Scholar)	2		2
3317 Rankin, Life Estate (Renshaw)	1		1
5044 Matilda, Dallas Tx	74 000		74 000
James Professorship La Place Louisiana	5 000		5,000
3 31 acres R Teel Parcel, Hardin Co TX	1		1
449 Commerce St Dis TX/ farm Willacy Co TX	291 290		291 290
Lots in Houston Harris Co Tx	18 723		18 723
Cemetery lot in Waco TX	200		200
94 acres, Cameron Parish LA/10 acres Chambers Co TX	1		1
Mesquite Joint Venture	55 180		55 180
106 67 acres, Terrell Co, Tx	1		1
Marsh & Keller Springs, Carrollton, Tx	6 942		6 942
Part of Colony 275 Joint Venture	25 398		25 398
Various Mineral Rights	121		121
Total Endowment Fund	<u>1 181 800</u>	<u>0</u>	<u>1,181,800</u>
<b>Annuity Fund.</b>			
4 71 acres Tarrant County Texas	1 123 209	0	1 123 209
125 acres, Collin County Texas	2 500 000	0	2 500 000
Total Annuity Fund	<u>3 623,209</u>	<u>0</u>	<u>3 623 209</u>
Total Investments Land & Building	<u>5 401,520</u>	<u>151 425</u>	<u>5 250 095</u>

Southern Methodist University

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 Form 990-2001  
 Part IV- Balance Sheets  
 May 31, 2002

Line 56- Investments-Other-listed as cost

	<u>Amount</u>
Venture Capital	16,644,971
Funds Held in Trust by Others	14,083,009
Other Investments	
Doughty Hanson I, II & III ( Investments) Ltd	10,449,308
Westgate International	23,900,000
Maverick Fund, Ltd	11,463,861
Knightsbridge Intergrated Holdings III & IV, Ltd	21,277,424
Centre Capital Tax- Exempt Investors II L P	12,429,069
Hicks, Muse, Tate & Furst, Inc , III & IV	7,325,355
Meadowbrook Real Estate	7,654,968
Crow Holdings Realty Part II	4,575,585
HBK Investments	9,000,000
Ment Energy Partners D-1, LP	799,390
Q Funding (R Funding)	20,000,000
Oaktree Capital Management	10,000,000
Chilton International LP	10,000,000
Private Advisors	1,389,524
Candover 2001 Fund	881,661
Lexington Capital	1,098,681
King Street Capital	5,000,000
Duke Street Capital	116,155
Oaktree Opportunities	1,000,000
Ion Fund Series 2/00	<u>588,508</u>
	<u>158,949,489</u>
 Total	 <u><u>189,677,469</u></u>



Southern Methodist University

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 Form 990- 2001  
 Part II and Part IV  
 May 31, 2002

Line 42- Depreciation (Part II)

Line 57- Depreciation Assets (Part IV)

<u>Assets</u>	<u>Date Acquired</u>	<u>Book Value</u>	<u>Accumulated Depreciation</u>	<u>Useful Life</u>	<u>Current Depreciation</u>
Buildings	Various	\$383,771,711	\$114,810,073	20-50 years	\$8,440,681
Land Improvements	Various	18,907,082	11,123,839	20-50 years	760,169
Equipment	Various	63,381,918	22,636,740	4-10 years	3,688,161
Land	Various	<u>26,627,945</u>	<u>-</u>	-	<u>-</u>
Total		<u>\$492,688,656</u>	<u>\$148,570,652</u>		
Total Net Depreciation per Part II line 42					<u>\$12,889,010</u>
Assets- Beginning of the Year		\$465,446,864			
Plus Net Current Year Additions		<u>27,241,792</u>			
Total		<u>\$492,688,656</u>			

\*See attached Part II Line 42- Depreciation expense allocation among categories

Southern Methodist University

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Form 990 – 2001

Prior Period Adjustment to Balance Sheet

May 31, 2002

Line 57 (c) - Net Land Building and Equipment  
Line 67 – Unrestricted Fund Balance

The amounts shown in Column A, Beginning of Year, have been changed to reflect the prior period adjustments reported on the University's financials

Accumulated depreciation had been overstated in prior years which had a net impact of understating equipment, net of accumulated depreciation

Southern Methodist University

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Form 990 -2001

Part IV- Balance Sheets

Tax Year Ended May 31, 2002

**Part IV, Balance Sheets**

Line 58- Other Assets

	<b>(A)</b> <u>Beginning of Year</u>	<b>(B)</b> <u>End of Year</u>
SCUUL	\$ 1,513,077	\$ 1,486,750
Bond Issuance Cost	<u>6,862,234</u>	<u>6,629,759</u>
Total	<u><u>\$8,375,311</u></u>	<u><u>\$8,116,509</u></u>

Southern Methodist University

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Form 990-2001  
Part IV- Balance Sheets  
May 31, 2002

Line 64 (a)- Tax Exempt Bond Liabilities

	<u>Amount</u>
1963 Building Bonds due 2013 with a fixed interest rate of 3 50%	1,670,000
1966 Fine Arts Center Bonds due 2006 with a fixed interest rate of 3 00%	301,000
1967 Law Library and Classroom Bonds due 2007 with a fixed interest rate of 3 00%	390,000
1985 Refunding Series-Southwest Higher Education Authority, Inc due 2015 (Variable Interest Rate)	49,200,000
1992 Serial Bonds maturing from 2002 to 2008 with fixed interest rates ranging from 5 75% to 6 375% and term bonds maturing 2013 and 2022 with interest rates of 6 375% & 6 25%, respectively	39,535,000
1995 Serial Bonds, maturing from 2002 through 2010 with fixed interest rates ranging from 4 40% to 5 25% and term bonds maturing in 2016 2026 with a fixed interest rate of 5 125%	39,525,000
1999A Serial Bonds, maturing from 2003 through 2013 with fixed interest rates ranging from 3 9% to 5 00% and term bonds maturing in 2018 through 2029 with a fixed interest rate of 5 0%	51,515,000
1999 B Series - Southwest Higher Education Authority due 2029 (Variable Interest Rate)	11,500,000
1999 C Series - Southwest Higher Education Authority due 2029 (Variable Interest Rate)	23,600,000
1999 D Series - Southwest Higher Education Authority due 2022 with a fixed interest rate of 5 0%	13,630,000
TOTAL	<u><u>230,866,000</u></u>

Southern Methodist University

Form 990 -2001  
Part IV- Balance Sheets  
May 31, 2002

Line 64(b) -Mortgage and Other Notes Payable

<u>Payee</u>	<u>Original Amount</u>	<u>Balance Due</u>	<u>Date of Note</u>	<u>Maturity Date</u>	<u>Repayment Terms</u>	<u>Interest Rate</u>	<u>Security</u>	<u>Purpose of Loan</u>
Unrestricted Fund								
Clements Foundation	378 015	378 015	01/01/1987	12/31/16	Annually	Variable	Cumberland School Property	Acquired the Property
Plant Fund								
Aramark Corporation	600,000	240 000	06/01/1999	5/31/04	Monthly	-	-	Renovated Dining Hall
Aramark Corporation		31 996	12/01/1997	1/01/03	Monthly	-	-	Renovated Dining Hall
William B Heroy	27,500	27,500	06/04/1970	Demand	Quarterly	8%	6506 Airline Property	Acquired the Property
Stadium Scoreboard	1,738 277	1 262 340	08/01/2000	07/31/2010	Annually	-	Stadium scoreboard	Acquired the Property
Total		<u>1 939 851</u>						

Southern Methodist University

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Form 990-2001  
Part IV- Balance Sheets  
MAY 31, 2002

Line 65-Other Liabilities

	<u>Amount</u>
U S Government student loan advances	2,812,684
Deposits	<u>4,725,746</u>
Total	<u><u>7,538,430</u></u>

Southern Methodist University

75-0800689

Form 990 – 2001

Prior Period Adjustment to Balance Sheet

May 31, 2002

Line 57 (c) - Net Land Building and Equipment

Line 67 – Unrestricted Fund Balance

The amounts shown in Column A, Beginning of Year, have been changed to reflect the prior period adjustments reported on the University's financials

Accumulated depreciation had been overstated in prior years which had a net impact of understating equipment, net of accumulated depreciation

Southern Methodist University

75-0800689

Form 990- 2001

Net Assets Reconciliation

May 31, 2002

Amount

**Net assets reported on line 21, Part I** 1,076,950,690

Adjustments-

Unrelated business income and expenses not reflected in SMU's financial statements at year end

Intercollegiate Athletics- program advertising income (25,340)

SMU Southwest Review- advertising income (2,085)

Landreth oil royalties (2,196)

Landreth oil lease expenses 1,095

1,076,922,164

**Net assets reported on Line 73, Part IV, column (B)** 1,076,922,164



Southern Methodist University

75-0800689  
Form 990-2001

May 31, 2002  
Part IV-A and Part IV-B  
Reconciliation of Revenue / Expenses per Audited Financial  
Statements with Revenue / Expenses per Return

Part IV-A line d(2) other

Scholarships discount- tuition and fees	53,648,040
Scholarships discount- room and board	1,020,586
Intercollegiate athletics-program advertising income not reflected in SMU's financial statements at year end	25,340
Southwest Review advertising income not reflected in SMU's financial statements at year end	2,085
Landreth oil royalty income not reflected in SMU's financial statements at year end	2,196
Part I line 6b expenses netted against revenue	(19,106)
Part I line 9b expenses netted against revenue	(23,983)
Revenue reported on Peruna Properties, Inc Form 990	(816,377)
Total-	<u>53,838,780</u>

Part IV-B

Line d(2)-	
Scholarships discount- tuition and fees	53,648,040
Scholarships discount- room and board	1,020,586
Part I line 6b expenses netted against revenue	(19,106)
Part I line 9b expenses netted against revenue	(23,983)
Landreth Oil expenses not booked at year end	1,095
Expenses reported on Peruna Properties, Inc Form 990	(1,343,294)
Total	<u>53,283,337</u>

Southern Methodist University  
 75-0800689  
 Form 990-2001  
 Part V - List of Officers, Directors and Trustees  
 Part V  
 May 31, 2002

Column (A)	Column (B)	Column (C)	Column (D)	Column (E)
<u>Name and Address</u>	<u>Title and average hours per week devoted to position</u>	<u>Compensation</u>	<u>Contributions to employee benefit plans and deferred compensation</u>	<u>Expense account and other allowances</u>
Robert Gerald Turner P O Box 750100 Dallas TX 75275-0100	President 37 5 Hours	\$486,250	87,898	118,191
Ross C Murfin P O Box 750221 Dallas, TX 75275-0221	Provost and Vice President for Academic Affairs 37 5 Hours	258,250	36,446	10 413
Thomas Barry P O Box 750102 Dallas, TX 75275-0102	Vice President for Executive Affairs 37 5 Hours	178,625	34,917	7,032
Elizabeth C Williams P O Box 750193 Dallas, TX 75275-0193	Treasurer 37 5 Hours	193 500	31,183	7,032
S Leon Bennett P O Box 750132 Dallas, TX 75275-0132	V P for Legal Affairs and Secretary 37 5 Hours	196,875	35 441	10 389
James E Caswell P O Box 750471 Dallas, TX 75275-0471	V P for Student Affairs 37 5 Hours	114,700	24,875	31,084

Southern Methodist University  
75-0800689  
Form 990-2001  
Part V - List of Officers, Directors and Trustees  
Part V  
May 31, 2002

Column (A)	Column (B)	Column (C)	Column (D)	Column (E)
<u>Name and Address</u>	<u>Title and average hours per week devoted to position</u>	<u>Compensation</u>	<u>Contributions to employee benefit plans and deferred compensation</u>	<u>Expense account and other allowances</u>
Jeanne Whitman P O Box 750281 Dallas, TX 75275-0281	V P for Development, Alumni Relations and Public Affairs 37 5 Hours	176,000	30 127	7,499
Morgan R Olsen P O Box 750505 Dallas, TX 75275-0505	V P for Business and Finance 37 5 Hours	196,750	36,509	6,240
Mary Anne Rogers P O Box 750132 Dallas, TX 75275-0132	Assistant Secretary 37 5 Hours	60,774	21,165	196
Donna Hancock P O Box 750100 Dallas, TX 75275-0100	Assistant Secretary 37 5 Hours	39,000	11,890	46

**Southern Methodist University**  
**75-0800689**  
**Board of Trustees**  
**May 31, 2002**

Mr Lester M Alberthal, Jr  
P O Box 261451  
Plano, TX 75026-1451

Mrs Ruth Altshuler  
5227 Meaders Lane  
Dallas, TX 75229

Mr Michael Boone  
Haynes & Boone  
Suite 3100  
901 Main Street  
Dallas, TX 75202-3789

Professor Caroline Brettel  
SMU  
Anthropology Department  
P O Box 750336  
Dallas, TX 75275-0336  
CAMPUS

Mr Richard H Brown  
Chairman and CEO  
Electronic Data Systems, Inc  
5400 Legacy Drive  
Mailstop H2-7W-40  
Plano, TX 75024-3199

First Lady Laura W Bush  
Attention Ms Quincy Hicks  
The White House  
1600 Pennsylvania Avenue  
Washington, DC 20502

Pastor Kirbyjon H Caldwell  
Windsor Village UMC  
6000 Heatherbrook  
Houston, TX 77085-3318

Mr Donald J Carty  
Chairman, President & CEO  
American Airlines, Inc  
P O Box 619616  
MD 5624  
DFW Airport, TX 75261-9616

Mr Dan W Cook III  
Senior Director  
The Goldman Sachs Group, L P  
100 Crescent Court  
Suite 1000  
Dallas, TX 75201

Mrs Jeanne Cox  
4300 Armstrong Parkway  
Dallas, TX 75205

Rev Mark Craig  
Senior Minister  
Highland Park United Methodist Church  
Room 217  
3300 Mockingbird Lane  
Dallas, TX 75205

Mrs Linda Custard  
General Partner  
Custard/Pitts Land and Cattle Co  
4600 Greenville Avenue  
Suite 300  
Dallas, TX 75206

Mr Robert H Dedman  
Chairman  
ClubCorp, Inc  
3030 LBJ Freeway  
Suite 700  
Dallas, TX 75234  
P O Box 819012  
Dallas, TX 75381-9012

**Southern Methodist University**  
75-0800689  
**Board of Trustees**  
**May 31, 2002**

Mr Frank M Dunlevy  
Vice Chairman  
Thomas Weisel Partners  
One Montgomery Street  
San Francisco, CA 94104

Mr Juan Elek  
Elek, Moreno Valle Y Asociados  
Montes Escandinavos No 115  
C P 11000 Mexico, D F

Mr Tom Engibous  
Chairman, President & CEO  
Texas Instruments Incorporated  
P O Box 660199, MS 8659  
Dallas, TX 75266-0199

Mr Alan Feld  
Akin, Gump, Strauss, Hauer, & Feld  
Suite 4100  
1700 Pacific Avenue  
Dallas, TX 75201

Mr Gerald J Ford  
Chairman and CEO  
Golden State Bancorp, Inc  
200 Crescent Court, Suite 1350  
Dallas, TX 75201

Mr Milledge A Hart, III  
Chairman  
Hart Group, Inc  
3811 Turtle Creek Blvd #900  
Dallas, TX 75219-4442

Ms Katie Holzgraefe  
Hughes-Trigg Student Center  
Suite 301  
P O Box 750436  
Dallas, TX 75275-0436

Mr W R Howell  
Chairman *Emeritus*  
J C Penney Company, Inc  
P O Box 10001  
Dallas, TX 75301-1109

Mr Ward L Huey  
4000 Miramar  
Dallas, TX 75205

Mr Lamar Hunt  
Chairman  
Unity Hunt, Inc  
Suite 4000  
1601 Elm Street  
Dallas, TX 75201

Mr Ray L Hunt  
Chairman and CEO  
Hunt Oil Company  
1445 Ross Avenue, 20th Floor  
Dallas, TX 75202

Mr Robert A Leach  
Senior Vice President/Investment  
First Union Securities, Inc  
500 North Akard  
1515 Lincoln Plaza  
Dallas, TX 75201-3393

Mr Paul B Loyd, Jr  
108 Shasta  
Houston, TX 77024

Dr Thalia F Matherson  
Executive Director  
South Central Jurisdiction  
United Methodist Church  
5646 Milton, Suite 240  
Dallas, TX 75206

**Southern Methodist University**  
**75-0800689**  
**Board of Trustees**  
**May 31, 2002**

Mr Mark A Nero  
6 Regency Row Drive  
San Antonio, TX 78248

Bishop Alfred Norris  
The United Methodist Church  
Houston Area  
5215 Main  
Houston, TX 77002-9792

Ms Susan Nowlin  
5400 Neola Drive  
Dallas, TX 75209-5510

Bishop William B Oden  
Bishop, Dallas Area  
United Methodist Church  
P O Box 600127  
Dallas, TX 75360-0127  
3300 Mockingbird Lane  
Room 316  
Dallas, TX 75205

Mr H Ross Perot, Jr  
President and CEO  
Perot Systems Corporation  
2300 W Plano Parkway  
Plano, TX 75075

Mr Sherrill Pettus  
President  
Southern Bleacher Company  
P O Box One  
Graham, TX 76450

Mrs Caren Prothro  
3708 Stratford  
Dallas, TX 75205

Mr Carl Sewell  
Chairman  
Sewell Automotive Companies  
Suite 102  
3860 West Northwest Highway  
Dallas, TX 75220

Bishop Ann B Sherer  
The United Methodist Church  
4800 Santana Circle, Suite 100  
Columbia, MO 65203

Mr Jeff Skilling  
10 Briarwood Court  
Houston, TX 77019

Dr Helmut Sohmen  
Chairman  
World-Wide Shipping Agency, Ltd  
23/F, 9 Des Voeux Road West  
Hong Kong SAR, CHINA

Mr John Tolleson  
Chief Executive Officer & Owner  
The Tolleson Group  
5500 Preston Road, Suite 250  
Dallas, TX 75205

Dr R Gerald Turner  
President  
Southern Methodist University  
225 Perkins Administration Building  
Dallas, TX 75275

Mr Richard Ware, II  
President  
Amarillo National Bank  
Plaza One  
P O Box 1  
Amarillo, TX 79105-0001

**Southern Methodist University**  
**75-0800689**  
**Board of Trustees**  
**May 31, 2002**

Mrs Sue T Whitfield  
Vice President  
Trammell-Whitfield Properties  
Suite 603  
4265 San Felipe  
Houston, TX 77027-2901

Dr Richard J Wood  
President  
United Board for Christian  
Education in Asia  
475 Riverside Drive, Suite 1221  
New York, NY 10115

Southern Methodist University

75-0800689

Form 990-2001

May 31, 2002

Part VI, Other Information, Line 77

Copy of Bylaws attached



**BYLAWS  
of  
SOUTHERN METHODIST UNIVERSITY**

The following Bylaws of Southern Methodist University are promulgated in accordance with the provisions of Article IX of the amended charter of Southern Methodist University, which provides that the Board of Trustees may adopt appropriate Bylaws

**ARTICLE I  
BOARD OF TRUSTEES**

Membership and Powers and Duties of Board of Trustees

1 01     Number of Trustees

The Board of Trustees shall consist of no more than 43 Trustees, comprised as follows

- (a) 26 recommended by Board of Trustees, two of whom shall be international Trustees.
- (b) 9 others, recommended by the College of Bishops, with no more than two of the nine being from the same episcopal area of the South Central Jurisdiction of the United Methodist Church serving on the Board at the same time,
- (c) 3 Bishops recommended by the College of Bishops, and
- (d) 5 ex officio Trustees the President of the University, the Executive Director of the South Central Jurisdiction of The United Methodist Church, and one person each recommended by each of the following organizations and supported by the Trusteeship Committee the Faculty Senate, SMU Students' Association and Alumni Association

At least one-half of the voting Trustees of the Board of Trustees shall be members of the United Methodist Church Notwithstanding the foregoing required composition of the Board, no action of the Board of Trustees shall be deemed invalid should the number of Trustees in any of the categories set forth above at any time be less than that designated

1 02     Method of Nomination

(a)     Trustees

Upon the occurrence of the expiration of the term to which Trustees are appointed the Trusteeship Committee shall, or upon the occurrence of a vacancy for any other reason the Trusteeship Committee may, recommend to the full Board its recommendation(s) for nomination by the Board

(b) Ex Officio Trustees

All persons named to the respective ex officio Trustee positions by the appropriate authority shall be recommended by the Trusteeship Committee to the full Board for nomination by the Board

(c) Recommendations to the Trusteeship Committee

Recommendations to the Trusteeship Committee of people described within Article 1 01(b), (c) and (d) shall be made as provided therein. Recommendations to the Trusteeship Committee of people described within Article 1 01(a) shall be made in accordance with procedures established by the Trusteeship Committee

(d) Diversity of Recommendations

In making all of its recommendations to the Board of Trustees, the Trusteeship Committee shall give due consideration to the need to assure a diverse membership of the Board, reflecting appropriate geographical, ethnic, age, sex, occupational/professional and philosophical differences and perspectives. It is desirable that at least one regular voting member of the Board be a professional educator who is not a member of the SMU community, and two be residents of countries other than the United States. Furthermore, the Trusteeship Committee shall provide opportunity for, and fully consider, nominations submitted (in confidence or otherwise) by all constituencies of the University, including Trustees, administration, faculty, students, and alumni, through their elective or appointive organization

1 03 Method of Election

Proposed members of the Board of Trustees shall be nominated to the South Central Jurisdictional Conference of the United Methodist Church by a majority of the Trustees at the annual meeting immediately preceding the Quadrennial meeting of the South Central Jurisdictional Conference of the United Methodist Church. In the event the Board desires to fill an unexpired term or vacant position on the Board, the Board may nominate to the South Central Jurisdictional Conference of the United Methodist Church a successor Trustee at any regularly scheduled meeting of the Board. The South Central Jurisdictional Conference of the United Methodist Church or any agency or board to which it may delegate such authority shall elect the Trustees to the Board

1 04 Length of Service(a) Trustees

Except as hereinafter provided, the service of a Trustee on the Board shall be limited to three consecutive four-year terms or until their successor shall be duly elected. When, in the opinion of the Trusteeship Committee, a Trustee has been of such exceptional service as to justify the Trustee's continued service on the Board, the Trusteeship Committee has the discretion to waive the term limitation and nominate such Trustee for continued service on the Board

(b) Ex Officio Trustees

All ex officio Trustees shall serve a term of one year, except the President and the Executive Director of the South Central Jurisdiction of The United Methodist Church, whose terms shall be from the date of election or appointment for so long as he/she may serve as President or Executive Director

1 05 Removal for Cause

The Board may recommend to the South Central Jurisdictional Conference of the United Methodist Church that any Trustee be removed from office for cause at any meeting of the Board by affirmative vote of two-thirds of the Trustees

1 06 Age Limitations

No person shall be eligible for election prior to attaining the age of eighteen (18) years, nor shall any Trustee be nominated or elected to serve a term commencing after attaining the age of seventy (70) years. Notwithstanding the foregoing, when, in the opinion of the Trusteeship Committee, a Trustee has been of such exceptional service as to justify the Trustee's continued service on the Board, the Trusteeship Committee has the discretion to waive the age limitation and nominate such Trustee for continued service on the Board after the age of 70 years

1 07 Powers and Duties

The management and direction of all affairs and interest of the University shall be vested in the Board of Trustees. It is hereby empowered to adopt such rules and regulations for the management and direction of the affairs of the University as the conduct of those affairs may require, but such rules and regulations shall not be inconsistent with these Bylaws, the Articles of Incorporation of the University, or the law

Officers of the Board1 10 General

The Officers of the Board shall be the Chair, Vice Chair and Secretary of the Board of Trustees. The Chair, Vice Chair and Secretary of the Board of Trustees shall serve for terms of one year each and until their successors are elected. The Chair, Vice Chair and Secretary shall be elected annually at the Spring meeting of the Board. Commencing with the 1988 election of the members of the Board of Trustees by the South Central Jurisdiction of the United Methodist Church, no Trustee shall serve for more than four consecutive one-year terms in any respective office

1 11 Duties of Officers

The Chair of the Board of Trustees shall preside at all regular and special meetings of the Board of Trustees, except in his absence the Vice Chair shall preside, or in the absence of the Chair and Vice Chair, the Secretary shall preside

1 12 Chair Elect

Subject to the provisions of Paragraph 2 03(d) herein, the Board shall elect a Chair Elect who shall be nominated for election as Chair of the Board upon the completion of the service of the sitting Chair. In order to familiarize the Chair Elect with the operation of and the issues before the Board, the Chair Elect shall have the privilege of attending any meeting of the Executive Committee and all Standing Committees, but shall not be entitled to vote, nor be counted for the purpose of determining if a quorum is present, unless he/she shall otherwise be a regular member of the Executive Committee or Standing Committee. Unless the Chair Elect shall also be serving as Vice Chair or Secretary of the Board, the Chair Elect shall not be an officer of the Board, nor shall the Chair Elect have the authority to preside at any regular or special meeting.

Meetings1 20 Regular Meetings

There shall be four regular meetings of the Board of Trustees annually. The regular meetings for the following year shall be designated by the Board at its Spring meeting, traditionally held in May. Should circumstances require, the Chair, Secretary or President may reschedule any regular meeting date by giving notice as provided in Article 1 22.

1 21 Special Meetings

A special meeting of the Board of Trustees shall be held at the call of the Chair, or at the call of the Chair upon written petition of not less than one-tenth of the full-time members of the General Faculty, or upon the written petition of a majority of the members of the Faculty Senate of the University, or upon the written request of one-tenth of the Trustees. The call for a special meeting shall be addressed in writing to the Secretary and shall state the time, date and location of the meeting and in a general manner the nature of the business to be considered.

1 22 Notice of Meetings

Notice of the date of each of the four regular meetings shall be mailed by the Secretary to the individual Trustees at least ten days prior to the date of the meeting. Notice of the date of any special meeting shall be mailed by the Secretary to the Trustees at least ten days (or by telephone or telegraph at least five days) before the date of the meeting and shall state the time, date and location of the meeting and in a general manner the nature of the business to be considered.

1 23 Orientation Meetings

Following the quadrennial election of the Trustees by the South Central Jurisdiction of the United Methodist Church, the President, Chair of the Board and Chair of the Trusteeship Committee shall plan, organize and schedule a special meeting of the newly elected Board or shall, in conjunction with the first regular meeting of the newly elected Board, conduct an orientation meeting on the structure and organization of the Board and status of the University.

1 24 Place of Meetings

All meetings of the Board of Trustees shall be held on the campus of Southern Methodist University or at such other places as the Chairman or the Board of Trustees may designate

1 25 Telephone and Similar Meetings

The Board of Trustees or any Committee thereof may participate in and hold a meeting by means of a telephone conference or similar communications equipment by means of which persons participating in the meeting can hear each other. Participating in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened

1 26 Action Without Meeting

Any action which may be taken, or is required by law, the Articles of Incorporation, or these Bylaws to be taken at a meeting of the Board of Trustees or Committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Trustees or Committee members, as the case may be, entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect, as of the date stated therein, as a unanimous vote of such Trustees or Committee members, as the case may be, and may be stated as such in any document filed with the Secretary of State of Texas or in any certificate or other document delivered to any person. The consent may be in one or more counterparts so long as each Trustee or Committee member signs one of the counterparts. The signed consent shall be placed in the minute books of the University

1 27 Quorum

A majority of the Trustees of the Board of Trustees in office shall constitute a quorum for the transaction of business, but a majority of the Trustees present at the time and place of the called meeting, although less than a quorum, may adjourn from time to time without notice until a quorum attends. The vote of a majority of the Trustees present at any meeting shall prevail, except insofar as limited by the provisions of Article 1 05, Article VII and Article IX of these Bylaws

1 28 Agenda and Order of Business

The agenda for the Board meetings shall be developed jointly by the Chair of the Board of Trustees and the President

1 29 Parliamentary Procedure

The deliberations of the Board of Trustees shall be governed by the latest revision of Robert's Rules of Order

1 30 Voting

All regularly elected Trustees shall have the power to vote on all matters. All Trustees shall have equal access and opportunity to speak to any and all matters brought before the Board.

1 31 Absences

The Board may seek the removal of a Trustee from the Board after three consecutive unexcused absences from meetings of the Board. In addition, it may seek removal of a Trustee after three consecutive unexcused absences from meetings of his or her assigned Committees. Removal in either instance described shall take place pursuant to a recommendation from the Board to the South Central Jurisdictional Conference of the United Methodist Church, requesting removal "for cause," such recommendation to be given only upon the recommendation of the Trusteeship Committee and an affirmative vote of two-thirds of the Trustees in office.

1 32 Guests

The Board of Trustees may invite persons who are not Trustees to attend any regular meeting of the board as guests. Unless otherwise decided at any meeting, the vice presidents of the University and the representatives-elect of the Faculty Senate, the SMU Students' Association and Alumni Association shall be invited to attend. Guests shall only have the privilege of the floor by acknowledgment of the Chair or by a majority vote of the Board, but shall not have the right to vote. The Board may conduct an executive session limited to its own membership.

Board Officers and Committee Chairs  
Upon Election of Trustees by the  
South Central Jurisdiction of the  
United Methodist Church

1 41 Election of Trusteeship Committee, Board Officers and Committee Chairs upon Election of Board of Trustees by South Central Jurisdiction of the United Methodist Church

Upon the quadrennial election of the Trustees of Southern Methodist University, the Trustees shall meet as soon as practicable and elect the Trusteeship Committee as provided in 2 03(a) of these Bylaws, except that the President shall preside over and conduct the first election of the Trusteeship Committee following each quadrennial election of the Trustees. Thereafter, the Officers of the Board, Standing Committee Members and Committee Chairs shall be nominated by the Trusteeship Committee to the Board, considered by the Board, and elected by the Board.

1 42 Continuation of Board Officers and Standing Committee Chairs upon Quadrennial Election of Trustees

Any other provision(s) of the Bylaws to the contrary notwithstanding, each and every officer of the Board of Trustees and each and every chair and vice chair of the Standing Committees of the Board and Trustee who shall be elected by the

South Central Jurisdiction of the United Methodist Church to serve as Trustee, shall continue to serve in the office or chair held, or on the Committee he/she served immediately preceding such election until the Board shall elect new officers, chairs and make Committee assignments. In the event an officer or chair shall not continue to serve on the Board following the election of the Board by the South Central Jurisdiction of the United Methodist Church the Vice Chair or if he/she shall otherwise cease to serve as a Trustee, the Secretary shall succeed to the Chair of the Board or Committee in that order. Should any chair, whether of the Board or Standing Committee, remain vacant following the foregoing procedure, then the Trustee with the longest continuous service shall assume the vacant position for the board or for the Standing Committee on which he or she may serve. Should more than one Trustee be eligible for a vacant position on the basis of continuous service, the Trustee, among those having the same continuous service shall be selected who has the greatest number of years total service as a Trustee. In the event a Standing Committee shall have no Trustees continuing to serve on the Committee following any quadrennial election, the Chair of the Board of Trustees shall appoint a chair of said Committee from the Trustees who have at least one year's prior service as Trustee immediately preceding said appointment. The Chair of any Committee so appointed shall serve until the Trusteeship Committee nominates and the Board elects a new chair.

ARTICLE II  
BOARD COMMITTEES

2 01

Appointment(a) Ad Hoc Committee(s)

There may be such special or ad hoc Committees as the Board of Trustees may from time to time establish for the discharge of particular duties. No ad hoc Committee shall serve for more than one calendar year unless authorized by the full Board.

(b) Standing Committees(1) General

There shall be the Standing Committees specified in this Article. In addition, there shall be such other Standing Committees as the Board may from time to time appoint.

(2) Membership

- (i) Members of the Standing Committees shall be recommended annually by the Trusteeship Committee and approved by the Board. Except as provided herein, each Standing Committee except Legal and Government Affairs may have non-Trustee members.

The Chair and a majority of the membership of each Standing Committee must be Trustees, except that the Investment Committee may have a majority membership of non-Trustees.

- (ii) Each Trustee shall serve on at least one but not more than three Standing Committees. Notwithstanding the foregoing, the Chair of the Board of Trustees shall be an ex officio (voting) member of all Board Committees. The President shall be an ex officio (voting) member of all Board Committees, except the Audit Committee.
- (iii) All Committee members shall be permitted to vote on matters coming before the Committee.
- (iv) In no event may a Trustee's service on a Committee continue beyond the Trustee's elected term as Trustee, unless the former Trustee is elected to Standing Committee service as a non-Trustee as provided in this Article 2 01(b)(2).
- (v) Upon recommendation of the Trusteeship Committee, the Board may vote to remove any non-Trustee member from service on any Committee following three consecutive unexcused absences from Committee meetings.



(3) Chair of Standing Committees

Chairs and Vice Chairs of the Standing Committees shall be recommended by the Trusteeship Committee and approved by the Board, except that the Chairs and Vice Chairs of the Executive Committee and Trusteeship Committee shall be determined as otherwise provided in these Bylaws. The Chair of the Board and the Chair of the Trusteeship Committee shall not be permitted to serve as Chair of any other Committee except the Chair of the Board shall serve as Chair of the Executive Committee.

- (c) The Chair of any Committee, with the consent of the Chair of the Board, may request the President of the University to appoint an Officer of the University or a member of the administrative staff to serve as a liaison between the Committee and the Office of the President, and the President shall designate such a person to perform that service. Such liaison person shall assist the Committee in carrying out its duties.
- (d) The following Standing Committees shall meet not fewer than three times per year during the days and times of regularly scheduled Board meetings: Committee on Academic Affairs, Committee on Finance, and Committee on Student Affairs. All Standing Committees shall meet on the call of the Chair of the Committee, the Chair of the Board or the President. A majority of the Committee members shall constitute a quorum.
- (e) In addition to powers and duties specifically assigned to each Standing Committee, each Standing Committee is responsible for reviewing and monitoring Board policies pertaining to the area of responsibility of such Committee and reporting to the Board any recommendations the Committee may have regarding compliance with Board policies. Except as otherwise provided in these Bylaws or as specifically authorized by Board resolution, no Board Committee shall have the authority to take any action that binds the Board or the University.

2 02 Executive/Personnel/Compensation Committee(a) Executive/Personnel Committee(1) Membership

The Executive/Personnel Committee shall consist of the Chair of the Board, the Vice Chair of the Board, the President of the University, a Trustee Bishop to be designated by the College of Bishops of the South Central Jurisdictional Conference of the United Methodist Church, the representative of the SMU Alumni Association, the representative of the SMU Students' Association, the representative of the SMU Faculty Senate, and the Chairs of the Standing Committees of the Board. The Chair of the Board shall serve as Chair of the Executive/Personnel Committee and the Vice Chair of the Board shall serve as its Vice Chair.

(2) Meetings

The Executive/Personnel Committee shall meet on an emergency basis as called by the Chair or President or any three of its members

(3) Powers and Duties

The Executive/Personnel Committee shall have all the powers of the full Board between the regularly scheduled or specially called Board meetings, however, in all matters relating to policy, the Executive/Personnel Committee shall only be empowered to establish policy pending action by the full Board at its next meeting

(4) Quorum

A majority of the members of the Executive/Personnel Committee shall constitute a quorum for the transaction of business

(b) Compensation Committee

(1) Membership

The Compensation Committee shall consist of the Chair of the Board, the Vice Chair of the Board, a Trustee Bishop to be designated by the College of Bishops of the South Central Jurisdictional Conference of the United Methodist Church, the representative of the SMU Alumni Association, the representative of the SMU Students' Association, the representative of the SMU Faculty Senate, and the Chairs of the Standing Committees of the Board. The Chair of the Board shall serve as Chair of the Compensation Committee and the Vice Chair of the Board shall serve as its Vice Chair

During the existence of the Board ad hoc Capital Campaign Executive Committee, and limited in time to the duration of the Capital Campaign, the membership of the Compensation Committee shall be expanded to include the co-chairs of the Capital Campaign Executive Committee. Service on the Compensation Committee limits each Trustee to one vote regardless of his or her representative capacities

(2) Meetings

The Compensation Committee shall meet on an annual basis prior to the May Board meeting or on an emergency basis as called by the Chair or any three of its members

(3) Powers and Duties

The Compensation Committee shall have all the powers of the full Board in matters of compensation of corporate officers, however, the Compensation Committee shall report to the full Board at its next meeting any action taken by the Committee

(4) Quorum

A majority of the members of the Compensation Committee shall constitute a quorum for the conduct of business

2 03

Trusteeship Committee(a) Membership

The Trusteeship Committee shall consist of the Chair of the Board, the President of the University, the ex officio faculty member of the Board, the ex officio student member of the Board, the ex officio Alumni Association member of the Board and six at large Trustees, at least one of whom shall be a Bishop designated by the College of Bishops of the South Central Jurisdictional Conference of the United Methodist Church. Except as provided in Article 141, the five remaining Board members shall be elected at large from the voting membership of the Board at its third regular meeting each year, provided, however, that there shall be no election of a Trusteeship Committee at the Board's third regular meeting during the last year of service of the Board prior to the quadrennial election of Trustees by the South Central Jurisdiction, and provided further, that the Trusteeship Committee elected to serve for the year preceding the quadrennial election of Trustees by the South Central Jurisdiction shall continue to serve until the quadrennial election of Trustees by the South Central Jurisdiction. The person receiving the highest number of votes will be the Chair and the person receiving the second highest number of votes will be the Vice Chair. Should a tie occur in the number of votes received by Trustees, which tie vote must be resolved to determine which Trustee shall serve as Chair, Vice Chair, or elected member of the Committee, the tie shall be resolved in favor of the Trustee who is junior in service for the position to be filled. The Trustee not selected as an elected member shall serve as an alternate elected member of the Committee, and in that capacity may attend all Committee meetings and in the event of the absence of any elected member of the Committee shall be entitled to vote as an elected member of the Committee.

(b) Eligibility for Election of Trusteeship Committee

All members of the Board other than the ex officio members and the currently serving Chair of the Board shall be eligible for election to the Trusteeship Committee each year, except the first election following the quadrennial election of Trustees by the South Central Jurisdiction of the United Methodist Church, when only members who have served as Trustees the immediately preceding year shall be eligible

(c) Meetings

As provided for in Article 2 01(d)

(d) Powers and Duties

The Trusteeship Committee shall have primary oversight responsibility for the Board insuring proper membership and involvement in the activities of the Board and its Committees. It shall recommend or nominate to the full Board at its annual meeting persons to serve as Trustees for the upcoming term or to fill vacant Trustee positions, persons to serve as Board officers and Chair Elect, and persons to fill Committee assignments including Chairs and Vice Chairs. (The Chair Elect shall only be nominated for election by the full Board upon the occasion of the announcement of the then serving Chair that, following the completion of the Chair's then current term, the Chair will not again allow his name to be placed in nomination for Chair, or when the Chair being nominated to the Board shall, upon completion of the forthcoming term, have served the maximum number of consecutive terms permitted.) The Committee shall also provide for and carry out the following

- (1) a formal orientation to be conducted annually for new Trustees,
- (2) an annual documented Board self-evaluation,
- (3) a quadrennial external documented evaluation of the Board,
- (4) preparation of a Board document on proper roles and functions of the Trustees of Southern Methodist University,
- (5) consultation with the Association of Governing Boards as appropriate,
- (6) development of a Trustees' Handbook, to be updated periodically, which is a repository of those Board policies, practices and implementing procedures not given in the Bylaws or Articles of Incorporation. This Handbook shall describe not only the Board's policies but also the procedures that are to be used to implement those policies, and
- (7) review and make recommendations concerning any proposed amendments to the Articles of Incorporation or Bylaws of the University, providing that its failure to do so shall not preclude consideration by the Board of a proposed amendment properly submitted pursuant to Article XI of these Bylaws

2 04 Powers and Duties of the Committee on Development, Alumni Relations and Public Affairs

The Committee on Development, Alumni Relations, and Public Affairs shall advise the Board of Trustees on all matters pertaining to policies related to development, alumni relations, and public affairs

2 05 Powers and Duties of the Committee on Finance

The Committee on Finance shall review the revenue and expense budget prepared for the University by the administration prior to the budget being submitted by the Committee to the Board for approval. At each regular meeting of the Board, the Committee shall report the status of the current year's operating budget as compared to the Board approved budget. The Committee on Finance shall also advise the Board and the President on major items affecting the budget of the University, including, without limitation, tuition and fee pricing, endowment spending, expenditure planning, and capital financing strategies

2 06 Powers and Duties of the Committee on Audit

The Committee on Audit shall provide for and review the audit of the books, records, and securities of the University by a firm of certified public accountants that is in no way connected with the University. A written report by the Committee of its review and findings, accompanied by the certified report of the certified public accountants, shall be made to the Board of Trustees at the next regular Board meeting following completion of the audit

2 07 Powers and Duties of the Committee on Academic Policy, Planning and Management

The Committee on Academic Policy, Planning and Management shall consider all changes in the faculties proposed by the President of the University, and shall make recommendations to the board of Trustees regarding the same. The Committee on Academic Policy, Planning and Management shall advise the Board in all matters pertaining to the educational policies of the University, including but not limited to, degree programs, research, enrollment and financial aid

2 08 Powers and Duties of the Committee on Student Affairs

The Committee on Student Affairs shall advise the Board on Board policies relating to student life at the University

2 09 Powers and Duties of the Committee on Buildings and Grounds

The Committee on Buildings and Grounds shall advise the Board in regard to Board policies affecting the physical plant and grounds of the University, with special emphasis on maintenance and operating costs. In addition, the Committee shall make such recommendations as it shall deem appropriate in regard to additions to the physical plant and grounds of the University.

2 10 Powers and Duties of the Committee on Investments

The Committee on Investments is hereby empowered by the Board to make all investment decisions with respect to the funds and assets under the jurisdiction of the Board of Trustees, including, without limitation, purchases, sales, and loans of assets and securities, and to vote all shares of capital stock of corporations owned or held by the University at all meetings of the stockholders thereof, with the right to designate the person or persons authorized to act on behalf of the University, and to execute documents on its behalf in the premises. Reports on investment activity shall be made at each regular meeting of the Board.

The Committee shall advise the Board on Board policies relating to University investments.

2 11 Powers and Duties of the Committee on Legal and Government Affairs

The Committee on Legal and Government Affairs shall advise the Board on the legal and government affairs of the University, and shall report to the Board at its regularly scheduled meeting on all legal matters which may materially affect the University and all local, state and federal governmental matters which affect the University. The Committee shall periodically review the administration of the University's intercollegiate athletic programs for compliance with applicable laws, governmental regulations, and the constitution, bylaws, rules and regulations of any intercollegiate athletic organization of which the University is a member. The Committee shall advise the Board at its regularly scheduled meetings of any matter which in the opinion of the Committee bears materially on the integrity of the University's intercollegiate athletic program.

2 12 Athletics Committee

(a) Powers and Duties of the Committee on Athletics

The Committee on Athletics shall advise the Board as to the status of the intercollegiate athletic program in the University and in so advising the Board shall consider the academic performance of the student athletes and the overall fiscal operation of the Athletic Department. The Committee shall review the University's intercollegiate athletic programs and its program for compliance with the constitution, bylaws, rules and regulations of any intercollegiate athletic organization of which the University is a member, as well as University rules and regulations.

(b) Meetings

The Athletics Committee shall meet not less than once in the fall semester and once in the spring semester of each academic year

ARTICLE III  
EXECUTIVE BOARDS

3 01      General

The Board of Trustees does hereby establish Executive Boards for the following schools and divisions of the University

Dedman College  
Edwin L Cox School of Business  
Meadows School of the Arts  
Perkins School of Theology  
School of Engineering  
Dedman School of Law  
University Libraries

3 02      Powers and Duties

The Executive Boards shall provide advice and counsel to the Dean or Director, support creation of and linkages between faculty, students, and the sector of the public with which the school is most closely associated, aid in the recruiting and developing of faculty, support Advancement programs, monitor the performance of the schools and libraries, report periodically to the Academic Affairs Committee, and assist the schools and libraries in the development and maintenance of the successful outreach of activities in local, regional and national communities. The Executive Boards shall perform such acts as may be appropriate to fulfilling the purposes of the Executive Boards including the appointment of such subcommittees as they may deem expedient. Executive Boards do not have any powers or duties to control the governance of the University, its schools or divisions.

3 03      Membership

The membership of the Executive Boards shall include Trustees, former Trustees, young alumni, faculty from other institutions, leaders in the professions or disciplines relating to the school or library, and developmental prospects. The Boards should be constituted with due regard to the commitment of the University to diversity with respect to race and ethnicity, age, gender, geographic origin, vocation, and philosophical orientation.

Members of the Executive Board shall be appointed by the President, after consultation with the Chair of the Executive Board and the dean or director. Appropriate deans or directors and members of the Board of Trustees shall be invited to nominate members other than Trustees to the President. The Trusteeship Committee shall nominate sitting or former members of the Board of Trustees.

Each Executive Board shall elect a Chair and a Vice-Chair, one of whom shall be a member of the Board of Trustees.

Terms of membership on the Executive Boards shall be set at three years. The terms shall be staggered so that one-third of member appointments shall expire each year.



The following shall be ex officio members of each Executive Board

- Chair - Board of Trustees
- President
- Provost
- Vice President for Development and External Affairs
- Dean of the School or Director of Libraries
- The President may appoint a Dean or Director of Libraries as an ex officio member of an Executive Board for a School or Library for which he/she is not a Dean or Director

3 04

Meetings

Meetings of the Executive Boards shall be called by the Chair as often as he/she may deem necessary. However, each Executive Board shall meet at least twice a year. A majority of the Executive Boards shall constitute a quorum.

ARTICLE IV  
OFFICERS OF THE UNIVERSITY

General

4 01 Officers

The Officers of the University shall be a President, several Vice Presidents, one of whom shall be the Provost, a Secretary, a Treasurer, and such other executive and administrative officers as the Board of Trustees may determine. The same person may hold any two of the offices at the same time except the President.

4 02 Chief Executive Officer

The Chief Executive Officer of the University shall be the President.

4 03 Compensation

The compensation of the President and any changes thereof shall be established by the Board in executive session, which shall act after receiving recommendations from the Executive Committee of the Board. Annually, or at such other intervals as the Board may direct, the Executive Committee of the Board shall review the compensation of the President and make recommendations to the Board regarding the level of such compensation.

The President

4 11 Election

The President shall be elected by the Board of Trustees at a regular or special meeting for a term to be fixed by the Board after due consultation on the selection of such President with a University search committee appointed by the Chair of the Board of Trustees, including, but not limited to, representatives of the following groups: the College of Bishops, the elected Trustees, the General Faculty through the Faculty Senate, the Student Body through the Student Senate, the Council of Deans, the Vice Presidents and the SMU Alumni Association through its executive committee.

The Board of Trustees solely shall have the authority to employ or terminate a President, which action must be taken at a regular or special meeting.

4 12 Powers and Duties

The President shall

- (a) Serve as the Chief Executive Officer of the University, the Chairman of the General Faculty of the University, the principal authority of the respective schools of the University
- (b) Be the official instrument of communication between the General Faculty and the Board of Trustees and between the students and the Board of Trustees
- (c) Be responsible for the discipline of the institution

- (d) Nominate all officers and faculty members for election by the Board of Trustees and appoint persons to the faculty for terms of one year or less
- (e) Make an annual report to the Board of Trustees on the operation and condition of the University and present for the consideration of the Board of Trustees such measures as he/she may deem necessary or expedient for the University's welfare
- (f) Direct the execution of all diplomas for degrees by the following officers
  - (1) Chair or a Vice Chair of the Board of Trustees,
  - (2) Secretary of the Board of Trustees,
  - (3) The President of the University,
  - (4) The Provost of the University,
  - (5) The Deans of the respective schools
- (g) Execute all deeds, deeds of trust, bills of sale, assignments, transfers, releases, notes, obligations or contracts, or other instruments of the University as the Board of Trustees may direct, or in his/her absence from the City of Dallas, or in the event of his/her temporary inability to act, delegate his/her authority to execute such instruments to a particular Vice President. Execute any and all such other contractual agreements or final commitments in the name of the University as he/she shall determine appropriate. With respect to any instrument executed by the University through its duly authorized officer or officers, the attestation to such execution by the Secretary of the University shall not be necessary to constitute such instrument a valid and binding obligation of the University unless the resolutions, if any, of the Board of Trustees authorizing such execution expressly state that such attestation is necessary
- (h) Vote all shares of capital stock of corporations owned or held by the University at all meetings of the stockholders thereof, and delegate, if necessary, such authority to another by proxy in writing
- (i) Be responsible for a plan of internal shared governance which rests on the principle that an institution's ability to solve educational problems is enhanced when the constituencies of the University share, in varying degrees, in the decision-making
- (j) Perform such other duties and functions as the Board of Trustees may from time to time assign to him/her

#### Other Officers

#### 4 20 Election and Term of Office

The Vice Presidents, Secretary and other Executive and Administrative Officers of the University shall be elected for one-year terms at each annual meeting of the Board of Trustees

4 21 Powers and Duties

The Vice Presidents, Secretary, and other Executive and Administrative Officers shall perform such duties and functions as the President may from time to time assign to them

(a) Duties of the Vice Presidents

(1) Each Vice President shall have such powers and duties as may be prescribed from time to time by the Board of Trustees or as delegated from time to time by the President and shall exercise the powers of the President during such officer's absence or inability to act (in the order as designated by the Trustees, or in the absence of such designation, as determined by the length of time each has held the office of Vice President continuously)

(2) Authority to Bind the University

The Vice President of Business and Finance, or the successor vice presidential title to that office who is the chief financial officer of the University, is authorized to sign contractual agreements or to make final commitments in the name of the University so long as any such agreement or commitment does not obligate the University or bind its property for a period in excess of three years or obligate the University to make payments in excess of \$250,000 00

All other Vice Presidents are authorized to sign contractual agreements or to make final commitments in the name of the University so long as any such agreement or commitment does not obligate the University or bind its property for a period in excess of one year or obligate the University to make payments in excess of \$100,000 00

(b) Duties of the Treasurer

In carrying out his/her duties, the Treasurer shall be under the supervision and control of the President. In addition to other duties that may be assigned to the Treasurer by the Board of Trustees or the President, the Treasurer shall make and monitor the endowment investments of the University, as recommended by the Investment Committee, approved by the Board of Trustees, or directed by the President, and may execute such documents as may be necessary to carry out the duties assigned hereunder

(c) Duties of the Secretary

The Secretary shall have the custody of the Seal of the University and shall attest to and affix said seal to such documents as are required in the business of the University, including but not limited to deeds, bonds, mortgages, agreements, contracts, diplomas, evidences of the award of

degrees, transcripts, abstracts or resolutions, certificates, minutes and Bylaws issued pursuant to the authority of the University. The Secretary shall give proper notice of all meetings of the Board of Trustees and shall keep a record of the appointment of all Committees of the Board of Trustees. Furthermore, the Secretary shall keep or cause to be kept a record of the minutes of all meetings of the Board of Trustees and each of its Committees.

4 30 Successors in Office

In the event the President of the University is unable to or refuses to serve or act, the Provost of the University shall serve and act in his place and stead until the President shall be able to serve and act or until his successor, or acting successor, has been selected by the Board of Trustees.

4 40 Bonding of Officers and Agents

All officers and agents who handle the funds and property of the University shall be bonded in favor of the University for the faithful performance of their duties in such sum as the Board of Trustees may prescribe.

ARTICLE V  
THE FACULTY

General

5 01 Composition

The members of the University faculties are classified and ranked as follows

The President of the University, the Provost of the University, the Deans of the Schools, the Professors, Associate Professors, Assistant Professors, Instructors, Senior Lecturers, Lecturers, Visiting Professors, Adjunct Professors, and Scholars (Writers, Composers, Artists, Executives)-in-Residence

5 02 Term of Appointment

- (a) The normal terms of appointment of members of the faculty described in Section 5 01 shall be
- (1) The President – as provided in Section 4 11,
  - (2) The Provost – stated term determined by the President,
  - (3) The Deans – stated term determined by the Provost,
  - (4) Department Chairs and other academic administrative personnel for stated terms at the pleasure of the Provost.
  - (5) Professors, Associate Professors, and Assistant Professors – for a term ranging from one year to a term without limit, upon nomination by the President and confirmation by the Board of Trustees,
  - (6) Instructors, Visiting Professors, and Adjunct Professors – by appointment of the President for a one-year term, or less
  - (7) Scholars (Writers, Composers, Artists, Executives)-in-Residence – by appointment of the President, with the recommendation of the respective Dean and approval of the Provost, for a one to three year renewable term, or less, but in no event will the cumulative length of service in this rank exceed six years
  - (8) Lecturers – for terms ranging from one year to a renewable three-year term, by appointment of the President, upon the recommendation of the respective Dean, Lecturers appointed to three-year terms may be appointed as “Senior Lecturer ”
- (b) At the end of the stated term, a faculty member's employment with the University is automatically severed unless said faculty member is reappointed by the appropriate authority
- (c) In the case of a faculty member who holds an appointment for a term without limit, such member's employment relationship with the University is automatically severed upon
- (1) Resignation,
  - (2) Dismissal for cause,
  - (3) Retirement, or
  - (4) Death

- (d) Nothing herein contained shall prevent the appointment of retired faculty members by the President for terms of one year or less
- (e) The appointments of all faculty members are subject to financial limitations on conditions of employment, said appointments are subject to termination as a result of extraordinary circumstances because of financial exigency or as a result of a bona fide formal discontinuance of a program, said appointments also are subject to termination for inadequate performance of duty, or for misconduct, or for lack of loyalty to the ideals and aims of the University. Such termination of employment shall be effected by action of the Board of Trustees upon recommendation of the President of the University, or upon recommendation of the Committee on Academic Affairs

### General Faculty

#### 5 10 Powers and Duties

The General Faculty of the University, of which the President is the Chair, and the principal authority of the respective schools of the University, exercising such supervision and direction as in his/her judgment will promote their efficiency, shall be responsible to the Board of Trustees through the President for

- (a) Leadership to achieve and maintain a high quality of intellectual life for the University
- (b) The professional growth and behavior of the members of the University faculties
- (c) Control of eligibility of all participants in athletics, the scheduling of games, and all other matters embraced within the rules and regulations of the Southwest Conference
- (d) Nominations for honorary degrees
- (e) Such other powers and duties as the Board of Trustees may from time to time delegate to it

#### 5 11 Delegation of Powers and Duties

The General Faculty shall have the power to delegate such of the powers as are granted to it by the provisions of Article 5 10 to any Committee or subsidiary organization established by the General Faculty, and the Committee or subsidiary organization is authorized to exercise those powers in the name of the General Faculty so long as its acts are consistent with the scope of these Bylaws

#### 5 12 Meetings

The General Faculty shall meet during the University sessions as often as may be necessary. The General Faculty shall make such rules of procedure as shall be necessary to conduct its meetings, and shall provide for such Committees as it deems necessary or advisable

5 13 Secretary

The General Faculty shall elect a secretary who shall keep a permanent record of all of its meetings

5 14 Faculty Membership Entitled to Vote

All full time members of the General Faculty, as defined by University policy from time to time, excluding Adjunct Professors and Scholars (Writers, Composers, Artists, Executives)-in-Residence may vote at meetings of the General Faculty Adjunct Professors and Scholars (Writers, Composer, Artists, Executives)-in-Residence may attend the General Faculty meetings and take part in deliberations but shall not vote

Particular Faculties

5 20 Powers and Duties

The Faculties of Dedman College, Perkins School of Theology, Edwin L. Cox School of Business, the School of Engineering, the Dedman School of Law and Meadows School of the Arts, respectively shall prescribe and recommend, subject to the approval of the President and the Board of Trustees

- (a) Requirements for admission,
- (b) Courses of study,
- (c) Conditions of graduation,
- (d) The nature of degrees to be conferred,
- (e) Rules and methods for the conduct of the educational work of the schools,  
and
- (f) Candidates for degrees, persons to receive awards of fellowships, scholarships and prizes within their respective schools

For proposals for cross-disciplinary graduate degrees that would most appropriately be given by the University to be acceptable, two or more of the Faculties previously specified must endorse (a) – (f) above (as relevant) to the Provost Upon approving the proposed degree, the Provost will appoint a standing oversight committee for the degree, drawing on nominees submitted by the faculty councils (or other equivalents) and the deans of the recommending schools Such oversight committees will consist of at least three representatives of each of those schools plus three at-large members appointed by the Provost The committees will be chaired by the Dean of Research and Graduate Studies Like all other degrees, cross-disciplinary degrees to be conferred by the University are subject to the approval of the President and Board of Trustees

5 21 Meetings

The faculty of any school may hold meetings whenever such meetings are considered desirable for consideration of matters concerning that particular school, such meetings to be held on call of the Dean of the School or the President of the University



ARTICLE VI  
THE RIGHT TO RESOLUTION

Any official body of the University, particularly the General Faculty, through the Faculty Senate, and the Student Body, through the Student Senate, shall have the right and the responsibility to speak by resolution through the President of the University to the Board of Trustees on any issue of general University interest or on any issue of specific concern to that official body

ARTICLE VII  
HONORARY DEGREES

7 01 Nominations

Nominations for honorary degrees shall be made by the General Faculty in accordance with the provisions of Article 5 10, paragraph (d)

7 02 Conferring of Degrees

Honorary degrees will be conferred upon individuals nominated for the degree only upon a three-fourths majority vote of the members of the Board of Trustees voting

ARTICLE VIII  
INDEMNITY OF TRUSTEES, GOVERNORS AND OFFICERS  
AND  
LIMITATION OF PERSONAL LIABILITY OF TRUSTEES

8 01

Indemnification

- (a) The University shall indemnify, and advance expenses to, each present or former Trustee or officer of the University against all judgments, penalties (including excise and similar taxes), fines, amounts paid in settlement and reasonable expenses actually incurred by any such Trustee or officer in connection with or arising out of any action, suit or proceeding in which he may be involved by reason of his being or having been a Trustee or officer of the University (whether or not he continues to be a Trustee or officer at the time of incurring such expenses and liabilities) to the fullest and same extent that indemnification of Trustees is permitted by all valid and applicable laws, including, without limitation, Article 2 22A of the Texas Non-Profit Corporation Act. The indemnification and advancement of expenses provided in this section shall (a) also extend to any person who while serving as an officer or Trustee of the University also served at the University's request as a Trustee, director, officer, partner, venturer, proprietor, Trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, (b) not be deemed exclusive of any other rights of such person arising under any law, by any agreement or vote of Trustees, by contract, under any insurance policy maintained by the University, or otherwise, (c) inure to the benefit of the heirs, executors and administrators of such a person and (d) not be required if and to the extent that the person otherwise entitled to payment of such amounts hereunder is entitled to receive payment therefor under any insurance policy, contract or otherwise.
- (b) No amendment, modification or repeal of this Section 8 01 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Trustees or officers to be indemnified by the University, nor the obligation of the University, to indemnify any such indemnitee, under and in accordance with the provisions of the Article as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

8 02

Insurance

The University shall have power to purchase and maintain insurance on behalf of any person who is or was a Trustee or officer of the University or a Trustee of the SMU Retirement Plan, against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his/her status as such, whether or not the University would have the power to indemnify him/her against such liability under the provisions of Section 8 01 hereof.

8 03 Limitation of Liability

To the fullest extent permitted by applicable law, no Trustee of the corporation shall be liable to the corporation for monetary damages for an act or omission in such Trustee's capacity as a Trustee of the corporation, except that this Section 8 03 shall not eliminate or limit the liability of a Trustee of the corporation for

- (a) a breach of such Trustee's duty of loyalty to the corporation,
- (b) an act or omission not in good faith that constitutes a breach of duty of such Trustee to the corporation or an act of omission that involves intentional misconduct or a knowing violation of the law,
- (c) a transaction from which such Trustee received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such Trustee's office, or
- (d) an act or omission for which the liability of such Trustee is expressly provided by an applicable statute

The foregoing provisions of this Section 8 03 shall not eliminate or limit the liability of a Trustee for any act or omission occurring prior to August 31, 1987. Any repeal or amendment of this Section 8 03 shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Trustee of the corporation existing at the time of such repeal or amendment. In addition to the circumstances in which a Trustee of the corporation is not personally liable as set forth in the foregoing provisions of this Section 8 03, a Trustee shall not be liable to the corporation to such further extent as permitted by any law hereafter enacted, including, without limitation, any subsequent amendment to the Texas Miscellaneous Corporation Laws Act or the Texas Business Corporation Act or the Texas Non-Profit Corporation Act.

ARTICLE IX  
CONFLICTS OF INTEREST

9 01 The Trustees and Members of Trustee Committees

- (a) In any matter requiring a decision by the Board of Trustees or any Committee of the Board of Trustees in which a participating Trustee or Committee member has an interest other than the interest of the University, the Trustee or Committee member shall disclose the material facts pertaining to such interest and to the matter requiring the decision of the Board or the Committee, and such interest shall be noted in the minutes. The Trustee or Committee member shall withdraw from the meeting unless requested to remain by the presiding officer, and shall abstain from voting when such a matter is before the Board or a Committee for authorization, approval, or ratification, and that action shall also be recorded in the minutes.
- (b) Included in the interests of the Trustee or Committee member described in 9 01 are the interests of immediate family members (for the purposes of this Policy, "immediate family members" shall be a spouse, parents, siblings, children, and any other relative if the latter resides in the same household as the Trustee) and organizations in which the Trustee, Committee member, or immediate family members have a significant management function or ownership interest ("significant management function or ownership interest" shall include for the purposes of this Policy and by way of example, but not limitation, being an officer, director, employee, member, partner, Trustee, or controlling stockholder), and including interests arising from any gifts of more than nominal value received by the Trustee, Committee member or immediate family members from persons or organizations associated with or seeking association with the University, whether as suppliers of goods or services, faculty, students, or others.
- (c) Annually each Trustee and each Committee member shall be furnished an information and interest disclosure statement by the appropriate University officer together with a copy of this section of the Bylaws. This will permit the Trustee or Committee member to disclose any possible duality of interest affecting Southern Methodist University. The information and disclosure statement shall be delivered to the Secretary who will file it with a Committee composed of the Chairman of the Board of Trustees, the Chairman of the Audit Committee, the President, Vice President for Finance and Administration and University General Counsel and shall be held in confidence except as it may be determined by the Committee in the best interest of the University to disclose the information to the Board or a Committee of the Board in executive session. The information statement and interest disclosure statement shall be reviewed in advance by the Audit Committee should changes be proposed.

9 02 Conflicts of Interest Policy for Non-Trustees

The Board shall prescribe by resolution Conflicts of Interest Policy for its Officers, Faculty and Employees as it may deem appropriate from time to time.

ARTICLE X  
PLEDGE AND DISPOSITION OF ASSETS

The assets of Southern Methodist University are pledged for use in carrying out the purposes of the Corporation as stated in Article II of the Restated Articles of Incorporation. Upon discontinuance of Southern Methodist University by dissolution or otherwise, the assets of the University are to be transferred to the South Central Jurisdictional conference of the United Methodist Church if, at the time of such transfer, the South Central Jurisdictional Conference of the United Methodist Church is qualified as a charitable organization under Section 501(c)(3) of the Internal Revenue code of 1986, as amended [16 U S C A Sec 501 (c)(3)]. If, at the time of such transfer, the South Central Jurisdictional Conference of the United Methodist Church is not qualified as a charitable organization under Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, the Board of Trustees shall direct the assets of the University to be transferred to an educational, charitable, religious, or other similar organization that is qualified as a charitable organization under Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, or to the State of Texas.

ARTICLE XI  
AMENDMENTS

- 11 01 Subject to the requirements of Section 11 02, these Bylaws may be changed or amended at any meeting of the Trustees by a majority vote of the entire Board, provided, however that no change in the provisions of Article I shall be effective unless approved by a two-thirds vote of the entire Board.
- 11 02 Written notice of any proposed change in or amendment to the Bylaws shall be distributed by the Secretary of the University to all Trustees not less than 30 days before the meeting of the Trustees at which such change or amendment is to be considered, provided, however, that in the event of an emergency this requirement for 30 days' written notice may be waived by a two-thirds vote of the entire Board.
- 11 03 Any member of the Board of Trustees wishing to propose an amendment to these Bylaws should submit the proposed amendment to the secretary of the University and the Secretary shall distribute copies of the proposed amendment to the membership of the Board in accordance with Section 11 02. The provisions of the foregoing sentence are merely directory, not mandatory, and nothing contained therein shall preclude any member of the Board of Trustees from distributing copies of the proposed amendment directly to the membership of the Board or from submitting amendments to the Bylaws from the floor at any meeting, subject to the requirements of Section 11 02.

ARTICLE XII  
EFFECTIVE DATE

These Bylaws shall become effective upon an affirmative vote of the Board of Trustees at any regular or special meeting of the Board of Trustees.

Southern Methodist University

Form 990- 2001

May 31, 2002

75-0800689

Part VII- Analysis of Income Producing Activities

Line 93- Program Service Revenue

Line 93(c) - Auxiliary Activities

Columns (c & d) - Excluded by section 512, 513, or 514

<u>Exclusion Code</u>	<u>Description</u>	<u>Amount</u>
#03	Food Service Revenue	2,913,268
#03	Bookstore Revenue	1,712,116
#03	Vending Machines Revenue	143,958
#03	Child Day Care Fees	191,193
#03	Laundry Machines Revenue	52,246
#03	Linen Rental Income	3,084
#03	Recreational Equipment Rentals	3,550
#16	Facility Rentals	89,268
	Total Column (d) Line 93(c)-	<u>5,108,683</u>

Southern Methodist University

Form 990- 2001

May 31, 2002

75-0800689

Part VII- Analysis of Income Producing Activities

Line 93- Program Service Revenue

Line 93(e) - Other

Column a & b - Unrelated Business Income

<u>Business Code</u>	<u>Description</u>	<u>Amount</u>
531390	Partnership losses	(215,435)
561520	Alumni Tours	16,770
561700	Steam Sales-Highland Park Methodist Church	16,178
541800	SMU Southwest Review-Advertising	366
	Total Line 93(e)-Column (b)	<u><u>(182,121)</u></u>

Line 93(e) - Other

Columns (c & d) - Excluded by section 512, 513, or 514

<u>Exclusion Code</u>	<u>Description</u>	<u>Amount</u>
#03	Parking Revenue	1,454,517
#03	Health Center Revenue	868,260
#03	Sales Revenue- Microcomputer	15,666
#03	Copy Machines Revenue	186,126
#03	Security Services Fees	152,817
#03	Student Telephones	61,969
#18	Sales of Scrap	8,649
#16	Facility Rentals	<u>689,860</u>
	Total Column (d) Line 93(e)- Other	<u><u>3,437,864</u></u>

Southern Methodist University

Form 990- 2001

May 31, 2002

75-0800689

Part VII - Analysis of Income Producing Activities

Line 99 - Other Investment Income

Column (c & d)- Excluded by section 512, 513, or 514

<u>Exclusion Code</u>	<u>Description</u>	<u>Amount</u>
#14	Notes Interest Income	535,020
#14	Funds Held in Trust by Others Income	432,738
#15	Mineral Interest Income	2,281,029
		<u>3,248,787</u>



Southern Methodist University

Form 990- 2001  
May 31, 2002  
75-06800689

Part VII- Analysis of Income Producing Activities

Line 101 -Net Income From Special Fundraising Events  
Columns (c & d) -Excluded by Section 512, 513, or 514

<u>Exclusion Code</u>	<u>Description</u>	<u>Amount</u>
#01	Golf Tournament	9,829
#05	Silent Auction	<u>2,265</u>
Total Column (d), Line 101-		<u><u>12,094</u></u>

Southern Methodist University

Form 990- 2001

May 31, 2002

75-0800689

Part VIII - Relationship of Activities to the  
Accomplishment of Exempt Purpose

Below are the explanations of income reported in Part VII, column (e) and how they contribute to the University's exempt function

- Line 93 (a) - Tuition and fees income is generated from SMU's instructional activity, its primary function
- Line 93 (b) - Organized activities include revenues generated from conferences, seminars, lectures, sport training camps, etc that provide educational services to those attending
- Line 93 (c) - Auxiliary activities include revenue from residence halls and other campus rentals and intercollegiate athletic revenue Living on campus and engaging in campus activities provides the college experience, enhancing the educational function
- Line 93 (e) - Other revenue generated, which is incidental to the University's educational purpose, includes student processing fees (add/drop, matriculation, etc ), library fees, cultural activities, ticket sales not reported elsewhere, and continuing education Other fees, fines and bookkeeping corrections generally associated with educational programs are also reflected herein
- Line 94 - Dues/membership fees include Alumni memberships and Staff Club memberships Membership payments to the Alumni Association support alumni functions Memberships in this organization are used to help perpetuate donations to the University to support its exempt function The Staff Club communicates meaningful issues to the staff

## Southern Methodist University

75-0800689

Form 990-2001

## Schedule A, Part I, Compensation of Five Highest Paid Employees

May 31, 2002

<u>Column (A)</u>	<u>Column (B)</u>	<u>Column (C)</u>	<u>Column (D)</u>	<u>Column (E)</u>
<u>Name and Address</u>	<u>Title and average hours per week devoted to position</u>	<u>Compensation</u>	<u>Contributions to employee benefit plans and deferred compensation</u>	<u>Expense account and other allowances</u>
Michael Cavan P O Box 750315 Dallas, TX 75275-0315	Head Football Coach 37 5 Hours	\$400,000	36,081	8,088
Bezalel Gavish P O Box 750333 Dallas, TX 75275-0333	Professor 37 5 Hours	285,371	32,761	1,033
W James Copefand, Jr P O Box 750216 Dallas, TX 75275-0216	Director of Athletics 37 5 Hours	297,250	53,138	12,039
Albert Niemi, Jr P O Box 750333 Dallas, TX 75275-0333	Dean of Business School 37 5 Hours	303,125	30,470	2,725
Michael Dement P O Box 750333 Dallas, TX 75275-0333	Head Basketball Coach 37 5 Hours	275,000	52,756	5,805

Southern Methodist University  
75-0800689  
Form 990-2001  
Schedule A – Part III Lines 2 (c) and 4  
May 31, 2002

The University makes payments for the receipt of goods and services used in the pursuit of its exempt function. Further, the University provides financial aid to students to enable them to attend the University. All financial aid recipients are selected on an equal, objectively determinable basis with other recipients. That is, all students receiving scholarships and fellowships are judged worthy by the University's assessment on the basis of academic achievement, financial need and other similar standards.

Southern Methodist University  
75-0800689  
Form 990-2001  
Schedule A- Part V Line 34 (a)  
May 31, 2002

The University participates in the Federal Perkins Loan Program, Federal Supplemental Educational Opportunity Grant, Federal Work-Study Program, Federal PELL Grant, Federal Family Educational Loan Programs, Texas Tuition Equalization Grant, TEXAS Grant , Leveraging Educational Assistance Partnership (LEAP) and Supplemental Leveraging Educational Assistance Partnership (SLEAP) through the state of Texas and receives Federal and State funding for research grants and contracts

Southern Methodist University  
75-0800689  
Form 990-2001  
Schedule A, Part VI-B  
May 31, 2002

**Part VI-B**

**(a) Volunteers:**

The institution occasionally will call on volunteer(s) to speak on behalf of the University in matters pending before the local City Council

**(b) Paid Staff:**

Paid staff assisted the consultants in the foregoing efforts, had limited contact with state legislators during the time between sessions, and worked with local municipalities

**(d) Mailings to Members, Legislators, or The Public:**

Expense is for correspondence to contact various elected officials and /or their staff

**(g) Lobbying Activity by Non-electing Public Charities**

During the second half of 2001 and first half of 2002, our political activities were carried out by consultants who advocated approval by the U S Congress of funding for education and research projects for SMU. These projects included funds for programs and equipment for researching anti-biotic resistance in drugs, funds for making engineering education programs available in high schools, funds for an international legal exchange program, funds for biology research equipment, and continuation of a program for seismic testing for monitoring nuclear tests worldwide

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box 
Note Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868
If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time-Must File Original and One Copy

Type or print Name of Exempt Organization Southern Methodist University Employer identification number 75-0800689
Number, street, and room or suite no. If a P O box see instructions P O Box 750233 For IRS use only
City, town or post office, state, and ZIP code For a foreign address, see instructions Dallas, TX 75275-0233

Check type of return to be filed (File a separate application for each return)
[X] Form 990 [ ] Form 990-EZ [ ] Form 990-T (sec 401(a) or 408(a) trust) [ ] Form 1041-A [ ] Form 5227 [ ] Form 8870
[ ] Form 990-BL [ ] Form 990-PF [ ] Form 990-T (trust other than above) [ ] Form 4720 [ ] Form 6069

STOP Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868
If the organization does not have an office or place of business in the United States, check this box [ ]
If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is
for the whole group check this box [ ] If it is for part of the group, check this box [ ] and attach a list with the
names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until 4/15/2003
5 For calendar year \_\_\_\_\_, or other tax year beginning 6/1/2001 and ending 5/31/2002
6 If this tax year is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period
7 State in detail why you need the extension Additional time is requested to file the tax return as all the information is not yet
available to file a complete return

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any
nonrefundable credits See instructions -0-
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated
tax payments made Include any prior year overpayment allowed as a credit and any amount paid
previously with Form 8868 -0-
c Balance Due Subtract line 8b from line 8a Include your payment with this form, or, if required, deposit
with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See
instructions -0-

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my
knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature Vickie N. Bumgardner Title CPA Date 1/10/03

Notice to Applicant-To Be Completed by the IRS
[ ] We have approved this application Please attach this form to the organization's return
[ ] We have not approved this application However, we have granted a 10-day grace period from the later of the date shown below or the due
date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension of time for elections
otherwise required to be made on a timely return Please attach this form to the organization's return
[ ] We have not approved this application After considering the reasons stated in item 7, we cannot grant you a request for an extension of time
to file We are not granting a 10-day grace period EXTENSION APPROVED
[ ] We cannot consider this application because it was filed after the due date of the return for which an extension was requested JAN 21 2003
[ ] Other \_\_\_\_\_

Director \_\_\_\_\_ By \_\_\_\_\_ LINDA WEISKOPF, FIELD DIRECTOR, SUBMISSION PROCESSING, OGDEN Date

Alternate Mailing Address- Enter the address if you want the copy of this application for an additional 3-month extension
returned to an address different than the one entered above

Type or print Name Vickie Bumgardner
Number and street (include suite, room, or apt no ) Or a P O box number P O Box 750233
City or town, province or state, and country (including postal or ZIP code) Dallas, TX 75275-0233

# Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

File a separate application for each return

If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box  X  
 If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form)

**Note Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868**

**Part I Automatic 3-Month Extension of Time- Only submit original (no copies needed)**

Note Form 990-T corporations requesting an automatic 6-month extension-check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

<b>Type or print</b>	Name of Exempt Organization Southern Methodist University	Employer identification number 75-0800689
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P O box, see instructions P O Box 750233	
	City, town or post office, state, and ZIP code For a foreign address, see instructions Dallas, TX 75275-0233	

Check type of return to be filed (file a separate application for each return)

- |  |  |                                    |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)     | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                             | <input type="checkbox"/> Form 8870 |

If the organization does not have an office or place of business in the United States, check this box

If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box  If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until 1/15/2003 to file the exempt organization return for the organization named above The extension is for the organization's return for

calendar year \_\_\_\_\_  
 tax year beginning 6/1/2001 and ending 5/31/2002

2 If this tax year is for less than 12 months, check reason  Initial return  Final return  Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions -0-

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit -0-

c Balance Due Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions -0-

### Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature Theresa Bumsdorf Title CPA Date 10/9/02  
 For Paperwork Reduction Act Notice, see Instruction (HTA) Form 8868 (12-2000)